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Contents for January 1940

THE LEAGUE'S BUSINESS ..... *H. P. J.* 2

EDITORIAL COMMENT ..... *A. W.* 3

TOLEDO, TAXES, AND RELIEF ..... *Donovan F. Emch* 6

THE FOOD STAMP PLAN RAISES AN ISSUE .... *Harold S. Rand* 14

NEW THOUGHTS ON THE SHORT BALLOT .... *James K. Pollock* 18

THE OLD AGE THREAT IN COLORADO ..... *Don C. Sowers* 21

TENNESSEE COUNTIES STAND PAT ..... *M. H. Satterfield* 26

SAGINAW: A LESSON IN EFFICIENCY ..... *Howard M. Kline* 30

A MUNICIPALITY THAT IS DIFFERENT ... *Madge M. McKinney* 40

UNCLE SAM COUNTS NOSES ..... *Roscoe Wright* 46

HE IS AN AMERICAN ..... Reprinted from *New York Sun* 48

COMMENTS IN BRIEF 49

CONTRIBUTORS IN REVIEW 51

THE RESEARCHER'S DIGEST: JANUARY 52

NEWS IN REVIEW

NOTES AND EVENTS ..... *H. M. Olmsted* 55

COUNTY AND TOWNSHIP GOVERNMENT .... *Elwyn Mauck* 60

CITIZEN ACTION ..... *Elwood N. Thompson* 63

TAXATION AND FINANCE ..... *Wade S. Smith* 66

PROPORTIONAL REPRESENTATION .... *George H. Hallett, Jr.* 68

BOOKS IN REVIEW ..... *Elsie S. Parker* 80

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NATIONAL MUNICIPAL LEAGUE

The League's Business

League Plans Regional Conferences

The first Southern Regional Conference of the National Municipal League will be held February 6, 7, and 8 in Atlanta, Georgia, in coöperation with the Institute of Citizenship. The general theme of the conference will be "The Improvement of Local Government in the South." Conference headquarters will be at the Piedmont Hotel.

Plans are being made for two other League regional conferences on government in the near future. A Southwestern Conference will be held at Dallas, Texas, probably late in March. A five-state conference on citizenship and government will be held at Minneapolis on February 19, 20, and 21.

Summary of Secretary's Report*

THE year 1939 can be regarded with satisfaction as one in which the National Municipal League registered substantial achievement. Perhaps more was actually accomplished this year by the League staff and committees than in any other recent year.

As a result of the funds made available by Mrs. Nellie S. Childs, it has been possible to expand both field and publication programs to an extent greater than ever before.

Additional Personnel

Dr. P. P. Womer. In the spring of 1939 the League was fortunate to be able to make arrangements with Dr. P. P. Womer, former president of Washburn College, Topeka, Kansas, to spend full time in the field, promoting the organization of local citizen groups. Dr. Womer has been chairman of the citizens' council section of the National Municipal League for several years and himself organized one of the most successful of these groups in his own city.

Dr. Roy V. Peel. Formerly head of the division of public administration at New York University and chairman of the City Fusion party in New York City which elected La Guardia mayor. Dr. Peel joined the staff of the National Municipal League, in September 1939, as research director for the purpose of working out with the University of Indiana a coöperative research program in the field of the relation of the citizen to his government. Dr. Peel is author of *Political Clubs of New York City*, one of the first realistic studies of political methods in a large city, and has written other books and many articles in professional and scientific journals. In 1933-35 he was sent to Sweden by the Rockefeller Foundation to study public administration in that country.

Elwood N. Thompson. The League has also been fortunate in adding to its staff another full time field representative. Mr. Thompson is a graduate of the University of Nebraska where he specialized in political science and law. He later studied at Columbia University where the School of Journalism awarded him a Pulitzer travelling scholarship to spend a year abroad. Mr. Thompson worked with Dr. Luther Gulick of the Institute of Public Administration in 1935, handling publication and promotional material in connection with the famous "Better Government Personnel" study. He also served on the staff of the New York State Commission for the Revision of the Tax Laws. For the last three years Mr. Thompson has been in Washington with the Asso-

(Continued on Page 75)

*A complete copy of the secretary's report, containing details as to activities, may be obtained by any member who is interested by addressing a request to the League's office.

National Municipal Review

Editorial Comment

A Lingering Death for the Counties

WE'VE known it all along, but evidence continues to pile up to show that in some sections of the country our counties will have to mend their ways or die.

The decreasing usefulness of counties as now constituted is spotlighted again by two recently completed scientific studies of Tennessee counties. The report on one study, by Dr. Charles P. White, professor of finance, and Dr. Lee S. Greene, associate professor of political science, at the University of Tennessee, recommends elimination of eleven counties by attaching them to richer neighbors. They warn that counties will disappear entirely if they are not put on a sound financial basis.

The findings of the other study, by M. H. Satterfield, of the Tennessee Valley Authority, which appear in this issue of the NATIONAL MUNICIPAL REVIEW, reveal little hope of consolidation as the result of permissive legislation. On the contrary, it is predicted that more compelling methods must be used.

The author might well be pessimistic. Experts have worried about counties for years. They have shown that counties are becoming empty shells. It has been demonstrated convincingly that we would get along much better with less than half the more than three thousand counties now existing. More and more, states are having to foot the bill and virtually take over so-called county services.

This and other evidence brings virtually no constructive action. Political leadership ignores or runs directly counter to it. Habits of thought seem to blind county seat towns to the fact that the mere presence of the courthouse no longer makes a community the trading and cultural center of the area.

Those who with their petty organization and personal selfish interests manage to control political action apparently are determined that the counties shall die slow, lingering, and expensive deaths—that there shall be no new lease on life through reorganization and rejuvenation.

Newark Discovers Democracy

FOR years people in Newark (New Jersey) have worried about the apparently low grade of political morality there. Many recognized that the true issue lay between the leaderless citizens and the professional politicians—the fellows who thrived on the idea that the city was their private oyster. But these thoughtful people threw up their hands in despair. Newark, they said, was different. All the "natural leadership" had moved out of town to the suburbs; therefore, no good

government movement could get anywhere.

So Newark moved along from scandal to scandal, to indictment after indictment of trusted officials, to constantly more burdensome debt and taxes which fell alike on rich and poor—until the "ordinary people" who didn't have money enough to move into the suburbs got good and tired of it.

No one paid any attention to the little meetings which began to be held in private homes about two years ago. It was novel but still not worth much notice when, a little later, the meetings grew big enough to need —and get the use of—church clubrooms all over town. It was considered a bit curious, too, that these little bands of earnest people began not only to discuss but to study. They held classes in public speaking and classes to examine methods by which all these various services, commonly known as city government, were run.

Suddenly the city became aware that all this quiet activity had resulted in the forming of a new organization, the Newark Citizens' Union. It was an organization which reached into every precinct—and knew where it was going. Its thousands of members paid only twenty-five cents a year dues, but it didn't need money because this was a job in which everyone did his bit—rang doorbells to awaken his neighbors to the new order, spoke before small meetings, spent long hours checking names of voters, circulating petitions, and doing the other tasks which used to be considered the private prerogative of the professional politician who made his living at them.

Last September consternation spread through political circles when it was disclosed that more than 25,000 voters had signed petitions for an election to discard the discredited commission form of government in favor of the modern council-manager plan. Actually only 15,000 signatures were required to force an election.

The series of strange events which followed furnished the people of Newark a perfect picture of the professional politician struggling to keep a strangle hold on his oyster, grown suddenly slippery in his grasp. The city clerk refused to give a receipt for the petitions, so the citizen leaders, having reason to know the ways of the politician, held on to the precious sheets and threatened court action. Finally a receipt was given.

With the petitions in their hands, the city hall crowd adopted singularly original methods of "checking" them for validity. Letters were sent to the 25,000 signers demanding to know whether they had actually signed. The clerk, suddenly solicitous over the welfare of taxpayers, brazenly and gratuitously added: "A special election will cost the taxpayers approximately $53,000."[1] Uniformed policemen and other city employees were sent to the homes of signers to question them. If this wasn't a deliberate attempt at intimidation, what was it? Weeks went by and no election was called. Determined they would not have their months of hard work nullified, members of the Citizens' Union went to court and de-

[1]Later estimates are considerably below this figure.

manded action. Through week after week the politicians squirmed and sought loop-holes until even their resourceful inventiveness could think of no more. The middle of this month the result of these many weeks of hearings will go before the highest court of the state for final action.

So the good people of Newark, with the unintentional aid of the political gentry, have been discovering democracy in a big way. They are learning, for one thing, that professional politicians aren't really smart at all—they just work at the "job" regularly and along old-fashioned lines. And the people are learning, for another thing, that the professional politicians represent a pitifully small minority and appear to be strong only because they have well disciplined organizations which never get tired and disgusted with delays—as they hope the "ordinary people" will.

Citizen Action

A NEW department, "Citizen Action," makes its initial appearance in this issue of the REVIEW. It is intended to cover some of the more significant activities of citizens' organizations not now covered completely in other departments such as those following council-manager, proportional representation, and local research bureau developments. "Citizen Action," edited by Elwood N. Thompson of the National Municipal League staff, will be a monthly feature.

New Editor for County News

THE REVIEW is pleased to announce that Mr. Elwyn Mauck has become editor of its notes on county and township government. Mr. Mauck succeeds Dr. Paul W. Wager, of the University of North Carolina, who has served as editor of the department since its inception in May 1934, but who has found it necessary to resign because of the pressure of other duties. Mr. Mauck, formerly a staff member of the New York State Commission for the Revision of the Tax Laws, is on the faculty of the Department of Political Science at the University of North Carolina. He is author of *Financial Control in the Suburban Areas of New York State* and numerous articles on local government.

Toledo, Taxes, and Relief

Severe restrictions on power of Ohio cities to adequately finance themselves basis of recurring crises in relief and education.

By DONOVAN F. EMCH
University of Toledo

TOLEDO is once again in the nation's spotlight. In 1931 it served as the bellwether for nation-wide bank failures, it presaged nation-wide labor strife in the "Battle of Chestnut Hill," and later defaulted on its public debt.

Then in 1934 began an era of good will when the Toledo Industrial Peace Board was hailed as an outstanding experiment in local industrial relations, when city manager government was adopted, and business revival joined with a revival of community faith and activity.

Now the light is focused upon Toledo's relief shutdown and the closing of the public schools. But Toledo shares the spotlight with other Ohio cities this time. Cleveland, Akron, Dayton, and even Painesville, are among the communities which had financial difficulty in 1939, and Cincinnati fears for 1940.

That the major Ohio cities are in difficulty indicates not only that there never has been an adequate system of financing relief but that there is a serious maladjustment in the whole structure of financing local government in Ohio.

The problem of financing local government in Ohio existed prior to the unceremonious dumping of relief upon the cities in April 1937. Limitations upon the power of the communities to finance themselves are found in the constitutional reduction of the tax limitation on property from 15 to 10 mills; the requirement of 65 per cent majorities for voted levies; the limitation of unvoted bonded indebtedness to one per cent of assessed valuation; the limitation of bonding power to 90 per cent of bond retirement; state department approval upon refunding of bonds; and the limitations for a time imposed by the Portsmouth case, which required borrowings for special assessments and public utilities to be considered in the determination of the subdivision's ability to incur indebtedness. These problems were superimposed upon the falling away of the tax duplicate by more than one-third, as in the case of Toledo, and failure to pay taxes.

While there has been an increase in state-collected locally-shared taxes, the tax rate in Toledo shows a loss of 30 per cent in the total tax rate from 1930 to 1939 and a loss of 67 per cent in the operating rate. The collections from property taxes have fallen off 41 per cent in the period from 1930 to 1938.

There have been some relaxations of restrictions during the course of the past several years. The Portsmouth case has been overruled in some respects, the voting requirements for levies have been reduced for temporary periods, the state has by special acts for limited periods permitted the funding of deficiencies

TOLEDO TAX VALUATIONS, RATES AND COLLECTIONS

Collection Year[1]	Valuation (000,000)	Operating Levy	Debt Levy	Total Levy	Collection (000)
1930	$603	6.242	5.188	11.43	$6,596
1931	579	6.031	5.649	11.73	6,045
1932	476	5.45	6.27	11.72	4,463
1933	415	4.31	6.19	10.5	3,112
1934	400	4.143	7.223	11.366	4,287
1935	395	1.862	7.8146	9.6766	4,155
1936	394	4.071	5.143	9.214	4,060
1937	398	4.0518	4.5989	8.6507	3,854
1938	436	3.8927	4.23193	8.12463	3,859
1939	433	2.114	5.9506	8.0646	

[1]Duplicate year is previous year in each case.

Source: *Toledo City Journal*, 1939, p. 38.
Financial Report of the City of Toledo, 1938, p. 24.

particularly with respect to relief, and the state officials have at times been persuaded to permit refunding of bonds in cases of dire distress.

The city of Toledo has for a number of years been forced to operate at a level of expenditure above its income. The Citizen's Survey Committee in 1935 came to the conclusion that: "As to more economical government—practically every report made to the survey committee by groups of well qualified Toledo citizens indicates the need for more money for city services rather than less—the need of more police and fire protection, better health service, better maintenance of bridges at general expense rather than by special assessment, etc." The budgets of the chief executives of the city—both mayor and city manager—have persistently decried the lack of funds. For the past decade financing has been a matter of defaulting the public debt, illegal expenditures of bond funds, improper creation of floating debt for relief purposes, borrowing illegally from public utility funds through the issuance of city scrip redeemable from such funds, and the mortgaging of the future by funding operating deficiencies and then refunding.

The general operating resources in Toledo from 1928 to 1938 give a general picture of operating problems:

1928[a]	$4,018,899
1929[a]	4,068,015
1930[a]	4,073,231
1931[a]	3,539,846
1932[b]	1,657,366
1933[c]	1,648,965
1934	2,119,335
1935[d]	2,275,773
1936	2,947,563
1937[e]	3,250,475
1938	3,192,599
1939[f]	3,313,775

[a]During this period the principal sources of revenue were general operating taxes including real estate and public utility taxes, inheritance tax, cigarette licenses, city licenses, etc.
[b]General and classified personal added.
[c]Beer and liquor permits added.
[d]Sales tax added.
[e]Sales tax reduced in yield.
[f]Budget estimate.

The operating expenses of the city for the same years were:

1928	$4,016,671
1929	4,146,102
1930	4,274,320
1931	4,570,586
1932	3,302,505
1933	3,460,390
1934	2,963,975
1935	2,995,706
1936	2,913,037
1937[a]	3,158,832
1938[a]	3,470,590
1939[ab]	3,307,080

[a]Not including poor relief.
[b]Budget estimate.

From these tables it may be seen that even aside from the problem of relief the city of Toledo was operating under difficulties. The proposition that the city might help itself through the levy of additional real taxes is disproved by the record in Toledo. Of twenty-six issues involving taxes or additional resources submitted to the voters of the city from 1931 to 1940 the following were the only issues receiving favorable votes:

1931—City—1½ mill poor relief levy
1933—State—10-mill tax limitation
Old-age pensions
1935—School—2-mill operating levy continued for five years
1936—State—Abolishment of sales tax on food
1937—City—$9,200,000 lake water supply project, to be financed from earnings and PWA aid in building

This general picture of finance in Toledo is somewhat typical of finance in the eight major industrial cities of the state of Ohio, which together make up about 40 per cent of the state's population.

This picture will also serve as background for the relief problem in Toledo. A fact worthy of note in connection with the city's relief picture is that in neither the 1938 nor the 1939 budget was there any estimate of available resources for relief purposes. Of course, there was none in 1937 since relief was handed over to the cities in April of that year. In Toledo this is particularly noteworthy because City Manager John N. Edy, who was responsible for the preparation of the budget, is known for his budgeting ability, and City Law Director Martin S. Dodd is a recognized authority on local government finance in Ohio.

Beyond the general financial picture underlying Toledo's relief problem is the additional factor that Toledo industry is primarily dependent upon the automotive industry as a whole and seriously affected by its fluctuations. For instance, *Toledo Business* estimates that the Chrysler strike in Detroit resulted in the enforced idleness of 2,300 Toledo workers for a period of eight weeks with a wage loss of more than $600,000.

RELIEF EXPERIENCE

The Toledo relief problem first became acute in 1931 at which time the relief payments increased from a previous high of $406,000 to more than $1,000,000. The payments for relief in the two subsequent years increased to $1,500,000 and $1,700,000. In these two years the Reconstruction Finance Corporation assisted Toledo to the extent of $2,114,000 for relief purposes.

During the latter part of 1933 the State Relief Administration assumed control of relief in Toledo and was thereafter succeeded by the Federal Emergency Relief Administration. In 1934 Toledo expenditures dropped to $137,000, which was contributed to FERA. Late in 1935 the FERA

was followed by the Lucas County Relief Administration which operated until April 23, 1937. During the years 1935 and 1936 city relief expenditures dropped back to the 1928-1929 level with payments of $64,000 and $48,000.

With the expiration of "stop-gap" legislation on April 23, 1937, the burden of furnishing poor relief fell back to the cities under OGC 3476, a not too modern "Elizabethan poor law." At this time the direct relief case load was 4,570, according to the 1938 budget of the Toledo city manager. Business and industrial conditions were on the upgrade, and the relief load was comparatively low. As a matter of fact, the all-time low for the past three years was reached in July 1937, when a case load of 2,967 was reported. This month also showed an all-time low for WPA employment of 5,574 persons.

Then came the slump. Relief and WPA employment mounted slowly, then relief spurted to an all-time peak for the last three years in March 1938, with a case load of 14,437. WPA employment was increased to 15,416. The 1937 relief costs totalled $643,000 for the city, of which amount $593,000 was provided by the issuance of bonds against delinquent taxes.

The city manager in 1938 stated in his message that the budget had been delayed "for several weeks in the hope that it would reflect the action of the state legislature. It is apparent, of course, that the city cannot carry the relief burden alone. The revenues estimated for this budget exhaust all present resources and are allocated to necessary operating activities. I do not see how any part of our expected income for 1938 could be used to match state relief appropriations, so that if matching is required some new source of revenue will have to be provided." Though the direct relief load fell off throughout the balance of the year, while WPA employment took up the slack, the relief expenditures reached $2,220,000. Of this amount $52,000 was available from current city revenues for relief.

LARGE DEFICIT

After taking full advantage of state revenues for financing relief in 1938, as well as city borrowing against future state resources as permitted under special acts of the state legislature, there still remained a deficit of $999,000. This was liquidated by the issuance of deficiency bonds under a special act of the state legislature. Further, because of the already burdensome city debt and the limitations upon municipal indebtedness, it was necessary to postpone the maturities of the bond issue until the years 1945 to 1949.

In 1939 City Manager Edy estimated the relief expenditures at $1,947,000, and the average monthly case load at 6,000. There was no estimate of available resources for relief purposes because the legislature had not yet convened and its policy in regard to financing relief could not be predetermined. The city, however, repeatedly informed state officials and the Lucas County delegation to the state legislature of the city's relief problem and financial plight. And the policy of the reduc-

tion of the WPA rolls kept forcing up the direct relief load of the city.

After the legislative session it was recognized that the provision for state assistance in relief financing was inadequate, especially in so far as the major Ohio cities were concerned. The legislature provided an appropriation of $10,000,000 for relief for 1939 and for 1940, of which Toledo's share approximated $835,000. In order to secure these funds from the state, the city was required to match dollar for dollar subsequent to June 30, 1939. The state's philosophy of sharing half the cost fell short of its intent in that it represented but about 40 per cent of the estimated total relief costs in Ohio. As a matter of fact, the "matching" by the state was but 32 per cent of the cost until November 1939, when the state contributed its half for the first time. An annoying fact in this matching picture is that in the past some of the allocations for relief purposes have gone to counties where there was relatively little need for the money: these counties incurred balances and trouble brewed when attempts were made to use the grants for other purposes in the county.

In addition to the appropriations for matching, the state legislature passed several bills concerned with enabling local governments to raise funds to match the state's appropriations. Toledo was able to take advantage of the several laws by the realization of $45,000 from a transfer of water revenues and $38,700 by additional borrowing against future beer, malt, wort, admissions, and utility excise taxes. A further Senate bill authorized a vote upon a relief levy at a primary or special election during 1939, limited to 1½ mills, to continue for a period of two years.

CITIZEN GROUP INVESTIGATES

Early in 1939 a citizen's committee had been appointed in Toledo to investigate ways of financing the city's portion of the relief costs. The committee met more than six weeks in the spring of the year and reported two suggestions to the council on March 13: (1) excise taxes, and (2) increased real estate millage tax. The committee reported that it did "not recommend a real estate levy." After an exploration of the proposed excise taxes it was determined that none which would produce any substantial returns could be enacted by the city without state permission. In conference with the Governor and other state officers the committee was informed that Toledo's only means of providing additional revenues was through local property taxation—as Cleveland did.

As a result of the study and conferences, the city council determined to place a 1½ mill levy upon the ballot at a special election in September. On the basis of collections of 100 per cent the levy would have yielded about $650,000 in 1939 and 1940. At the time the levy went to vote the direct relief costs for the year had reached $1,347,000, exclusive of statutory relief expenses of approximately $93,000. Unpaid bills totalled more than $700,000. But, despite a somewhat half-hearted campaign by a citizen's committee, the Toledo voters ran true to form, de-

feating the levy by a vote of 29,689 to 11,611.

Following the failure of the relief levy, the merchants and wholesalers who had been carrying a considerable portion of the relief load in unpaid bills announced that the "ceiling" had been reached and refused to extend further credit.

Direct relief was shut off September 15. At that time the load was 8,562 cases, comprising more than 16,000 individuals. The private relief and charitable agencies stepped into the breach and rendered assistance. A citizen's emergency fund committee was established, which administered seventeen feeding stations for needy children and collected more than $11,000 in voluntary contributions received by the *Toledo Blade*.

MANAGER EDY RESIGNS

During this crisis City Manager Edy tendered his resignation to the Toledo city council on September 18, effective October 1, in order to accept a position as administrative assistant to Public Works Administrator John Carmody. George N. Schoonmaker, chief waterworks engineer and former service director and city employee for twenty-five years, was appointed city manager.

After discussing the situation with council the new city manager was able to secure the appropriation of $140,000 to restore relief on a restricted basis. The appropriation amounted to about $50,000 per month for the balance of 1939. On October 10 food orders were again issued but only to unemployables having no income and to special diet cases, and milk was distributed to families with children under ten years of age. Though a ceiling of 3,000 cases was agreed upon, the load was found to be but 1,000 unemployables and 800 employables under the severe restrictions.

The press association writers have commented upon the lack of relief disturbances in Ohio cities. It seems apparent that the reliefers have become well informed in Ohio communities of the problems of city officials where the point of "perpetual crisis" has become a normal thing, and have accepted the fact that local officials are doing all within their power to help them.

After the re-establishment of partial relief in Toledo, its officials joined forces with other Ohio communities in seeking some solution to the relief financing problem. The Governor has been beseeched to call the legislature in special session, since it is not scheduled to meet again until 1941. Even if the 1939 crises are ameliorated, the 1940 problem remains to be solved. The Governor has taken the attitude that the local communities must exhaust all local resources before he will call a special session. If there are such resources, the Governor's point is well taken for the immediate time. Cleveland was able to issue bonds against delinquent taxes to the extent of $1,050,000, in addition to its passage of a relief levy. Toledo was not able to accomplish either of these.

During conferences with the Governor and state welfare director several suggestions were made which the city has pursued unsuccessfully. One was that the county has some

funds available which could be turned over to the city to avert trouble in 1939. Upon contacting the county officials the city officials found them adamant, and facing deficit themselves. In order to settle the issue beyond doubt, the city has filed action in the courts to attempt to force the county to pay over the funds mentioned.

CITY SUED FOR RELIEF BILLS

At this time the city's creditors determined to file suit against the city to collect $560,000 in unpaid bills for 1939. This is but half the total. The attorney for the creditors has stated that if the courts hold in favor of the creditors, establishing a valid legal claim against the city for relief obligations incurred contrary to legal requirements, the creditors will be willing to extend further credit to the city. If the city loses the suit judgment will have to be met from bonds.

In December Toledo was able to secure some additional operating funds through the refunding of $273,000 worth of bonds issued in prior years. Fortunately, the bonds will bear a lower interest rate than when originally issued. A windfall of $90,000 has been mentioned by the state welfare director in the allocation of a surplus of an excise tax collected by the state to pay off relief bonds.

With the availability of more funds the city prepared to resume relief on a full scale in the latter part of December. A committee consisting of representatives of the Council of Social Agencies and city officials proceeded with the task of reclassifying the persons on the relief rolls on the basis of need.

A highly encouraging sign has developed out of the conference on reclassification. It appears that the relief rolls will be reduced about one-third from the September load. The trend in reduction, discernible at the time relief was shut off completely in September, was credited to increased employment in private industry and a scheduled increase in WPA employment. The city has secured the approval of two major WPA projects and the state highway director has announced that 2,000 men will be employed in Lucas County by February on highway projects.

An attempt is being made by the welfare director in Toledo to force the county authorities to assume a

SUMMARY DIRECT RELIEF STATEMENT, APRIL 23, 1937 TO JULY 31, 1939

Total Cost of Relief, 1937	$ 643,350.71	
1938	2,184,556.03	
1939 to Aug. 1	1,145,870.11	$3,973,776.85
Classified Personal Tax Receipts	119,871,05	
Water Funds	90,000.00	
Miscellaneous Receipts	1,871.45	
State Grants	740,787.32	
Bonds and Notes	2,315,237.95	$3,267,767.77
DEFICIT as of July 31, 1939		$ 706,009.08

Source: *Toledo City Journal*, 1939, p.410.

portion of the Toledo relief burden. The problem is one of definition of county responsibility. In an address before the Ohio Welfare Conference, Wendell F. Johnson stated that the division of responsibility between county government on the one hand and cities and townships on the other is "one of the most foggy and confusing features of the Ohio poor law. Ever since 1853 the law has undertaken to make a distinction between the responsibility for those in need of temporary or partial relief and those in need of total and permanent relief. The former were to be provided for by the immediate subdivision in which they have legal settlement, namely, the township or city; the latter were chargeable to the county in which they have legal settlement." Each county within the state has drawn the dividing line differently. The Toledo welfare director estimates that 800 cases could be dropped from the city relief rolls if the Lucas County officials would assume responsibility. The state welfare director has threatened to send a representative from his office into the counties wherein difficulty arises to pass on the responsibility for cases.

PERMANENT SOLUTION NEEDED

The prospect for relief financing in 1940 is but slightly better than the retrospective picture. State aid in placing men on highway projects, improvement of business conditions with resultant drops in the relief rolls, the possibility of the transfer of some of the relief load to the county, and new city resources for financing WPA make the picture brighter at the turn of the year.

The local finance problem is not yet solved, however. The year 1940 still poses the problem of money to finance additional WPA projects, of finding money to match state allocations, of what is to be done with the 1939 deficit, of meeting the bond retirement needs, and incidentally of operating the city services—police, fire, and the like. The proposition that sufficient economies can be effected in a $3,000,000 operating budget to meet a $2,000,000 relief load or even a $1,000,000 relief load is absurd.

Proposals that a 5-mill levy might be placed on the ballot or that the people of Toledo will vote the debt requirement outside the 10-mill limitation will probably bear no fruit in the face of the strong current against tax levies in Toledo.

The most recent tangible proposal has been made to the Senate Taxation Committee by Law Director Dodd. He suggests a utility consumer tax of 5 per cent with a limit of one dollar per month. It is estimated that such a tax would raise $900,000 a year in Toledo.

The necessity is that of additional appropriations from the state or the freeing of a field for new local taxation other than the real property tax. Funding and refunding, in the hope of paying the piper in prosperity, has gone on for a decade. Each state legislature hopes that it can pass the decision off on a subsequent one. The facts must be faced, and soon.

The Food Stamp Plan Raises an Issue

Planned originally as an aid to the farmer, new method of distributing surplus foods proves boon to reliefer and retail food merchant, but added burden to taxpayer.

By HAROLD S. RAND
Rochester Bureau of Municipal Research

THE federal government seldom reaches down into the people to bring its economic bounty directly to them. But the food stamp plan is one example of a social-economic program which relates federal aid to the recipient through the medium of the municipality. In this case, however, the municipality is at liberty to weigh the pros and cons of such a plan and make its own decision as to its worth. Just what may be involved in reaching such a decision can be gleaned by the experience of Rochester, New York, the city where the food stamp plan was first tested.

The food stamp plan is a very ingenious device which enables the federal government to distribute surplus food crops through the regular channels of distribution and trade without incurring for itself the former costs of purchase, packing, distribution, and disbursement.

It is interesting to note that a graduate of the University of Rochester, Dr. Louis H. Bean, now economic advisor to Secretary Wallace, was the originator of the food stamp plan. For a number of years the government has been faced with the task of answering the demands of American producers who ask the same protection for food crops that industry has been able to obtain by means of the tariff for its products. It was finally decided to set aside the tariff revenues from duties on food imports and distribute them to producers of surplus crops by means of the food stamp plan. In other words, this scheme was designed to aid the farmer and not the reliefer or the grocer or the banker or anyone else. How far the plan has deviated from its original intent can be seen as its development is traced.

The operation and administration of the food stamp plan is relatively simple. All persons of every public relief category within the geographical boundary of the community are eligible to participate. Each family or individual must ask for an identification card from the relief agency. This card is then taken to the office operated by the federal government. There a master card is made out on which each purchase of stamps and the amount of the purchase is recorded. The purchaser's signature is kept on the master card and the signature on that card and the identification card compared at each purchase of stamps to prevent "chiseling."

Two kinds of stamps are given out. Orange stamps, which are negotiable and can be used for the purchase of any food product, and blue or surplus stamps, which are good only for the purchase of a specific

list of commodities. The orange stamps are sold in books of two-dollar denominations ($2, $4, $6, $8, and $10). For each two dollars' worth of orange stamps the books contain one dollar's worth of blue stamps. Purchases are limited to the size of the family. Each member of the family is allowed one dollar to one and one-half dollars' worth of orange stamps a week.

BLUE STAMPS FREE

Instead of buying up surplus foods from the producer and distributing them itself, the government has given the blue surplus food stamps to the relief client gratis, and the surplus foods are moved from the wholesale warehouse through the shelves of the retail grocer. Lists of foods which may be purchased with the blue stamps are issued periodically by the Department of Agriculture, and the grocer accepts the blue stamps as legal tender for the listed food items. The grocer is expected to charge the prevailing market price just as in a regular transaction. There is no limitation on the amount of surplus food the blue stamps can purchase. The only restriction is the amount of stamps issued to a person which, in turn, is limited by the size of the client's family. All retail groceries accept food stamps.

Rochester is on a cash basis for direct relief. Checks are issued twice a month. Twice a month, then, the surplus food office in Rochester's aged federal building is besieged by impatient purchasers standing in queues which wind out the doors of the building itself and down the block. The first day of every "pay day" finds some four thousand persons in line; the next day, two to three thousand; the third day the crowd has dwindled to a mere thousand. By the end of the third day the rush is over.

The result of such rush periods of business in the stamp office is a staggered personnel. The city maintains about eight men at the stamp office, the federal government some forty odd. During the rush periods forty more checkers are added to the federal payroll. The federal employees not only check the eligibility of purchasers of the food stamps, but also handle all the detail of checking stamp cards turned in by banks, wholesalers, and grocers.

The food stamps are in twenty-five cent denominations. Odd cent purchases with blue stamps are a grocer-customer matter. In some cases the grocer gives the purchaser credit coupons; in other instances non-surplus items of small monetary value are taken to make up the difference. The grocer obtains stamp cards, on which twenty stamps, five dollars' worth, can be attached. The full cards are then turned over to wholesalers who take them as payment on account or to banks which accept them as deposits. Since 1,375 food stores in Rochester are participating in this plan, there is a large amount of work in the handling of these cards.

In theory the grocers should turn over nearly all food stamp cards to the wholesalers. In fact they, as well as the wholesalers, have turned cards over to the banks. The burden on the banks has been almost doubled by this practice. For the convenience

of cashing the food stamp cards the federal government has stationed in Rochester a representative of the disbursing office of the treasury department. This is the only city to have such an office. Other cities must send their food cards to the nearest federal reserve city where disbursing officers are stationed.

BANKERS' AGREEMENT

The controversy between bankers and grocers in Rochester arose because prior to November 15, 1939, 87.5 per cent of the food stamp cards which the grocers turned in for reimbursement were being cashed by the banks. After discusssing the matter of the proposed one per cent tax, the grocers agreed to use the method originally suggested, namely, turning the food stamp cards over to the wholesalers in payment of accounts. In the next two weeks, November 15 to November 30, only 35.2 per cent of the food stamp cards were cleared through the banks, and by the year's close less than 25 per cent of the clearance was being handled by the banks.

In Rochester there are 13,090 welfare cases eligible for participation in the stamp plan. For the month of October 9,463 cases or 73.2 per cent of those eligible participated. There were 1,702 single or non-family cases, 13 per cent of the total, which did not participate.

The stamp plan was placed in operation on May 16. During the first period of operation $39,064 worth of orange stamps were sold; for the October period $95,696 worth of orange stamps were sold. Periodic or semi-monthly volume has leveled out at approximately the latter figure. From May 16, 1939, to December 1, 1939, a total of $1,032,896 worth of orange stamps were sold at the Rochester office. The total value of purchasing power, since blue stamps equal to half the amount of orange stamps were disbursed, amounted to $1,549,344.

The real question posed by the food stamp plan is one of plain economics as against social philosophy. We know that the plan was set in operation to aid the producers of surplus crops. No one, however, has given very serious attention to whether or not such surplus commodities are being moved in any greater quantities than before the stamp plan went into effect. The federal government is contributing a great deal to help set the plan in operation and give it a fair trial. Sooner or later most of that aid will be withdrawn. The community then will have to decide whether it should continue the plan with additional administrative costs.

What are the facts? What additional costs must be incurred? The old commissary plan, in Rochester for instance, took a small crew of men to operate. Conceivably the stamp plan can be operated with a 50 to 100 per cent increase in personnel as compared to the commissary. The commissary plan was a miserable failure. The stamp plan has worked. The merchant benefits from the stamp plan. He didn't under the commissary idea.

COMMUNITY BENEFITS

The food stamp plan means turnover of money. The cash relief check

in the hand of the welfare client increases its food purchasing value. The increased food purchasing value goes to the grocer and then goes to the wholesaler. The triple turnover of the blue stamp money value alone means just so much more money in circulation within the community. Already the position of the small grocer has improved in many instances. Under this plan he can meet his bills more promptly.

There is the other side of the picture, of course. The stamp plan automatically increases all relief budgets from one-quarter to one-third. Careful family budgeting can make the surplus foods—lard, butter, seasonal fruits, eggs, beans, and flour —care for a large part of the food items. The regular budget can then be stretched to include items not allowed in the regular relief budget. The retail trade benefits, but the municipality and its taxpayers benefit not at all. Welfare costs are the most important item before the city administration at all times. It, too, would like to have its income augmented or its expenses curtailed.

The administrative difficulties in the food stamp plan such as the rush periods of purchasing, chiseling, demand for service fees, and the rest can easily be adjusted. The old system of distributing surplus foods cannot be compared to the food stamp plan. The question, though, is how will the citizenry look upon a plan which benefits certain definite groups and also increases administrative costs?

The citizen-at-large has not yet troubled himself enough about the plan to answer. The bald question, "Do you favor the food stamp plan?" as asked in a Gallup poll, shows the public for the plan by a decided majority. The real test of opinion will come when its costs must be compared with economic betterments brought to the retail food merchant. And then what of the producer?

New Thoughts on the Short Ballot

Warnings of Woodrow Wilson and Richard S. Childs recalled by recent study of "bedsheet" ballots.

By JAMES K. POLLOCK
University of Michigan

WHEN Thomas Mann referred to the United States as "the lone bulwark against the destruction of liberty and freedom," he apparently overlooked the long ballot with which the average American voter has to wrestle in order to keep control over his democratic system. For more than thirty years we have been implored to shorten our ballots. In 1909 the National Short Ballot Organization was inaugurated in this country and Woodrow Wilson at that time termed the short ballot "the key to the whole problem of the restoration of popular government."[1]

In the thirty years since the organization was first established, governmental developments vast and and important in nature have served to re-emphasize and underline the importance of Mr. Wilson's sage remark. During these thirty years the direct primary system for the nomination of public officers has had a wide vogue in this country. During the same period, we have had important reforms in municipal government and a few important state reorganizations, both of which reforms have resulted in shorter ballots. We have also had a period of ups and downs in the matter of distribution of party strength. But perhaps, most important of all, we have had a great increase in the number of candidates for political office, and we have also seen the creation of many new offices.

In a word, the number of candidates and the number of offices has grown rather than lessened. The complexity and importance of government have similarly increased. The result is that the ballot in the United States today is not only longer instead of shorter, and therefore more difficult rather than easier for the voter to handle, but the decisions made by the ballot also have graver and more vital consequences.

It is submitted, therefore, that it is high time for students of democratic government to pay more attention to reducing the burden of the ballot so that the ordinary voter may have a greater opportunity of having his opinions carried out by his public officers. We must see that the machinery of democracy shall represent real public opinion and real public interest.[2]

Unfortunately, in these last thirty years, we have observed a continuation of a low popular participation of voters in both primaries and general elections. We have also observed a wide variation in the response of voters in primaries as compared to

[1]See William B. Munro in *Encyclopaedia of the Social Sciences*, Vol. 14, p. 43. Also Richard S. Childs, *The Short Ballot*, New York, National Municipal League, Sixth edition, 1930.

[2]See author's discussion on "Election or Appointment of Public Officials," *Annals*, Vol. 189, pp. 29-35.

general elections. What we have not been so quick to discover and point out is the wide variation in the number of votes cast for offices at the top of the ballot as contrasted with those at the bottom. A few figures along this line are exceedingly revealing.

In Michigan in the general election of 1936, 156,000 fewer votes were cast for congressmen than for governor. In Illinois, in 1932, 300,000 fewer voters voted for the office of clerk of the Supreme Court than voted for the presidency, and only one voter out of three expressed an opinion on a single constitutional amendment which was submitted. In Pennsylvania, the same year, 120,000 voters who voted for president failed to vote for the office of auditor-general. In Indiana, in 1930, 420,000 voters failed to express an opinion on the question: "Shall there be a constitutional convention?" Even in New York State, where a somewhat shorter ballot obtains, there is a significant difference between the votes cast for the head of the ticket and for those lower down and at the bottom. In Detroit, in the primary election of 1936, 160,000 voters did not vote for members of the state legislature. Further study along this same line, if undertaken in a number of areas, will doubtless reveal a situation little appreciated when we first adopted the direct primary system and the initiative and referendum.

Today, it should be clear that the short ballot idea has even more application to primaries than to general elections. As indicated previously, we have noted, especially in the last ten years, a great increase in the number of candidates running for public office. In other words, in addition to the large number of offices carried on the ballot, we now also find an inordinately large number of candidates running for these offices. Professor Harold M. Dorr has indicated one attack on this problem of multiplicity of candidatures—a problem which incidentally has never bothered English democracy.[3] Unfortunately, however, little headway is being made in solving this newer phase of the long ballot.

HANDICAP TO DEMOCRACY

In general elections we still find a veritable jungle of names and offices, and the passing of time has only served to re-emphasize what was stated by so many acute observers at least thirty years ago. A study by Dr. Albright of the ballots used in the 1932 election showed that "the average party column ballot consisted of 505 square inches of paper on which were printed over 102 names." He hastened to add that "short ballot arguments appear even more convincing after an examination of ballots throughout the nation. The handicaps set upon the workings of democracy undoubtedly undermine democratic opportunity."[4]

By way of some slight contribution to a modern attack on the problem of the jungle ballot, I should like to set forth some data which has been collected in connection with a comprehensive study I have been making

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[3] *American Political Science Review*, Vol. 30, pp. 514-22; and Vol. 31, pp. 56-65.

[4] *Bulletin*, American Legislators Association, Chicago, May 10, 1933.

of the operation of the direct primary system in the state of Michigan.

This information indicates strikingly what happens to the voter when he is confronted with an enormous blanket ballot. Graphs show what I have come to call "fatigue curves"—that is to say, curves which show the increasing fatigue which overcomes the voter as he goes about his task of marking his bedsheet ballot. This material covers an enormous mass of figures gleaned from voting records in the state of Michigan over the period from 1908 to 1934 inclusive. In other words, it represents as completely and accurately as possible the general tendency in primaries and general elections in Michigan, rather than isolated results from certain areas or in certain elections.

It points to the startling fact that in primaries only two out of every seven voters who vote for governor manage to last out the difficult ordeal of marking their ballots and registering their votes for the last office on the ticket, the *very* important office of county surveyor! Or to put it another way, four out of every five persons who vote for United State senator in a primary, or three out of every four who vote for the same office in an election, do not vote for the offices lower down on the ballot.

Another fact brought out by the study is that over the whole period of the direct primary in Michigan approximately twice as many votes have been cast for the office of governor as for the office of sheriff. These and other similar facts which could be adduced show the dismal result of asking the voter to assume a burden greater than he can bear. Other studies of the same sort which have been made in individual counties throughout the state and in other states and in individual elections only serve to support the same point.[5]

Dr. Hecock's study of Detroit's elections has indicated how the voter "when confronted with forty-seven offices to be filled, takes the easiest way out and makes a cross at the top of the column in which he recognizes a few names."[6]

PARTY VOTING FACILITATED

Were it not for the fact that the party column ballot is still used in Michigan and most of the other states, even fewer votes would be recorded for the unimportant offices still carried on the ballot. Perhaps it would not be too much to say that the party column ballot has not only resulted in sweeping into office large numbers of unknown (not to say incompetent) officials, but it has also kept us from realizing the fatiguing (not to say demoralizing) effects of the long ballot.

(Continued on Page 47)

[5]See the author's *Voting Behavior: A Case Study* (Ann Arbor, 1939), where among other things it is observed (p. 10): "If we expect to secure majority rule, we must apparently consult the voters on rare occasions when important matters are at stake, and not expect them to have an opinion on all kinds of offices and questions at all times of the year. What we are doing now is to spread the opinions of one-third of the registered voters over three elections a year on the average, and spread this small sample of public opinion very thin indeed over a very large ballot."

[6]Donald Hecock, *Detroit Voters and Recent Elections*. Detroit, Bureau of Governmental Research, 1938, p. 11.

The Old Age Threat in Colorado

Funds for state administrative services, education, charitable and penal institutions, relief, drastically cut as Colorado makes highest per capita contribution in nation to old-age pension funds.

By DON C. SOWERS
University of Colorado

THE effect upon state and local finances in Colorado of the adoption of the constitutional amendment providing for the payment of a minimum old-age pension of $45 per month to persons over sixty years of age has been more serious than anyone contemplated at the time and its future effects are still unpredictable.

The earmarking of 85 per cent of the proceeds of the sales and liquor taxes for old-age pensions imposed upon the state the necessity of raising additional funds to meet an urgent relief situation, since 37 per cent of these revenues, amounting to about $2,500,000 annually, had been allotted previously to the relief of unemployables. In fact, the sales tax was adopted originally in 1935 for the express purpose of enabling the state to contribute its fair share to the relief burden.

Another provision of the amendment provided that all future excise taxes on commodities should go into the old-age pension fund. This placed a serious limitation on the taxing power of the legislature because it meant that every type of excise tax on commodities or even an increase in the sales tax would be entrapped into the old-age pension fund. Finally, after months of study, the legislature adopted a 2 per cent service tax to meet relief and other general fund needs of the state and the State Supreme Court decided that the service tax was not an excise tax and therefore not subject to the entrapment. The service tax has produced about $1,200,000 annually, a sum inadequate to meet the current operation needs of the state since the legislature appropriated $2,500,000 annually for relief purposes alone.

In order that the anticipated deficit in state operation might be kept as small as possible, Governor Ammons ordered a 10 per cent reduction in the operating budgets of every state department and institution, a few state services were discontinued, and no attempt was made to pay any appropriations except those in the first and second classes which include the state administrative departments, boards and commissions, and the charitable, penal and eleemosynary institutions. State educational institutions fall in the third class and their appropriations were not paid.

In spite of these retrenchments, a deficit of about two million dollars confronted the incoming administration. Governor Carr proposed that the deficit and the increasing demands of the state during 1940 and 1941 be met by diverting 65 per cent of the proceeds of the state income tax which had previously been allocated to the public schools of

the state and was to be used to replace the general property tax. This plan was carried out in spite of bitter opposition from farm, labor, and educational groups which had supported the passage of the income tax with the clear understanding that it would be a replacement tax.

Another repercussion, not foreseen at the time the amendment was adopted, is a substantial reduction in municipal revenues, due to a Supreme Court decision which holds that 85 per cent of all liquor licenses collected by municipalities for municipal purposes must also be paid into the pension fund. It is estimated that about one million dollars will be diverted from municipal treasuries to the state pension fund, of which Denver must pay nearly one-half. In order to pay this sum the city and county of Denver has increased property taxes and seriously considered imposing special commodity taxes.

Another Supreme Court decision, in effect, perpetuates the liquor industry in Colorado. One clause of the amendment provides that if any of the revenues assigned to the old-age pension fund are diverted to other purposes, the state must provide equivalent revenues from other sources. This means the perpetuation of liquor revenues since it will be difficult if not impossible to find other sources of revenue to replace them.

The possible future effects of the amendment are still in doubt. The revenues assigned to the old-age pension fund have proven to be inadequate to pay the minimum pension of $45 a month, less other income, as specified in the constitution. The full authorized awards have been paid during only five months out of the thirty months that the plan has been in operation. A Denver court has ruled that a pensioner is entitled to demand from the state the difference between the $45 minimum pension and the amounts he has actually received. Should this ruling be permitted to stand, and should the courts decide that the state is obligated to pay the minimum pension specified, a substantial portion of all state revenues may be required to be transferred to the old-age pension fund, leaving most meager revenues for the financing of all other state activities.

DESCRIPTION OF THE PLAN

Briefly stated the constitutional amendment, adopted November 1936 by a vote of 239,289 to 134,377, provides for the payment of a minimum pension of $45 a month less any income received to persons who have attained the age of sixty. The law implementing the amendment provides that persons between sixty and sixty-five years must have resided in Colorado continuously for thirty-five years. No person is to be denied a pension because he owns real estate occupied as a residence or personal property which by law is exempt from execution or attachment, and no pensioner can be required to repay any money paid him as a pension. No variation in the amount paid or other discrimination between pensioners is permitted.

The program is financed by assigning to the old-age pension fund 85 per cent of all sales and use taxes, the same percentage of liquor taxes,

10 per cent of the inheritance and incorporation taxes, and 85 per cent of all future excise taxes which may hereafter be levied. In the event that any of these specified taxes should be repealed the state is required to provide an equivalent amount of revenue from other sources. Any moneys remaining in the old-age pension fund at the close of the calendar year must be paid out pro rata to qualified pensioners.

In November 1938 an organization known as the Federation for Workable Old-Age Pensions, Incorporated, submitted a constitutional amendment to the voters which would have authorized the general assembly to provide for the payment of old-age pensions from the general fund of the state and for their administration. This amendment was defeated.

THE PLAN IN OPERATION

The number of pensioners has increased from 26,913 in September 1937, when the law became operative, to 39,218 in August 1939. The monthly pension payment has increased from $1,078,988 to $1,225,566. The average payment per recipient has declined from $40.09 in September 1937 to $31.25 in August 1939, due to lack of funds to pay the full authorized awards. Colorado ranks second among the states in the average monthly pension paid. California pays $32.44 and the national average is $19.43. Colorado ranks third among the states in the number of recipients per 1,000 aged population—485. Oklahoma ranks first with 578 and Utah second with 507. The national average is 236. In Colorado both husband and wife may draw a pension if eligible under the law. Twenty-five per cent of the pensioners live in homes in which another member of the family also receives a pension.

Colorado is the most liberal state in the union in the amount of monthly grants initially approved for recipients. About 40 per cent of the applicants received the maximum award of $45 per month while 67 per cent received awards of $35 or more. In New York State only 7 per cent of the applicants were granted $35 or more.

Colorado is the only state paying pensions to persons between sixty and sixty-five years of age. The number of recipients in this age group is slightly over three thousand and the total cost amounts to over $1,000,000 a year or about $1 per capita of the state population. The entire cost of this group is borne by the state since federal contributions are made only to pensioners sixty-five years of age or over, and its inclusion is one reason why the state is unable to pay the full authorized award to those over sixty-five. Another reason is the jackpot or bonus provision which requires that all money remaining in the fund at the close of the calendar year must be distributed to qualified pensioners. In January 1938 there was paid to 34,701 pensioners a bonus of $963,647 or $27.77 per pensioner, in addition to the regular monthly pension payment of $39.60 per pensioner made during the previous year.

The total cost of pensions during the year 1938 was $12,686,020, but if the bonus payment and the cost of burials are included, the amount

expended was $13,738,398. Of this sum the state contributed $8,303,245 and the federal government $5,435,-151. The per capita payment for old-age pensions in 1938 was $11.87. The national average was $3.04 per capita. Colorado is spending more per capita for pensions than any other state in the union and nearly four times the national average. California ranks second with an expenditure of $7.37 per capita.

The total cost of paying the pensioners in full would require $18,625,-000 per year. The federal contribution of $20 per month would amount to $8,622,000, leaving a net cost to the state of $10,003,000. The total revenue of funds assigned to old-age pensions amounts to about $7,500,-000. This leaves a deficiency of $2,500,000 which represents the amount of additional tax revenues which would be required to comply with the constitutional provision and pay the pensions in full.

The total current operating revenues of the state, exclusive of the two constitutionally earmarked funds —highways and old-age pensions— amounted to $16,440,000 for the year ending June 30, 1938. This figure should be compared with the state's contribution to pensions amounting to $8,303,000 in order to realize the enormous burden of pension payments upon state finances.

In direct contrast are the state expenditures for general relief. In 1938 the state expended $2,360,000 for the assistance of a monthly average of 16,000 cases. A general relief case usually represents a family so that the number of persons given aid was at least 50,000 or an average of $4.00 per person per month. Whole families on relief must live on $22 a month or less while single pensioners may receive $31 or more a month and married couples twice that.

Other vital functions of state government such as charitable, penal, and eleemosynary institutions, the higher educational institutions, and state departments and commissions, have been forced to exercise the most rigid economy in order to keep functioning at all.

ECONOMIC BASIS OF $45 A MONTH

The pension system in Colorado is actually a method of transferring purchasing power from the great mass of hard working productive citizens, who are producing the goods and services which constitute the wealth of the state, to the group of citizens above sixty years of age. A monthly pension of $45 per month, as required by the constitutional amendment, is equivalent to $540 per year. The plan requires the productive workers of the state to contribute to each pensioner a sum larger than the average workingman earns for each member of his family. The average American wage-earner covered by the social security act earned from $841 to $1,204 per year in 1937. Assuming the typical family of four persons, this would allow from $18 to $25 a month per person in the workingman's family, in contrast with $45 a month per person for old-age pensioners.

PENSIONS AND POLITICS

The experience of Colorado with old-age pensions indicates clearly that the most dangerous aspect of the old-age pension movement is its

rather general contamination with politics. There is a marked tendency for the old-age pension supporters to form a political pressure group and to work solely for their own advantage regardless of the financial ability of the state and its citizens or of the effect upon other governmental services. On the other hand, there is a tendency for pension funds to be misused by politicians seeking to promote their political ambitions.

Free and open discussion of the issues involved in pending legislation affecting pensions has been practically eliminated in Colorado. Certainly no measure so important and vital to the welfare of the state as the old-age pension amendment was ever voted upon with less critical examination and less understanding of its far-reaching effect. Candidates for political office generally did not question its wisdom and favored it in their campaigning. In some communities merchants were threatened with boycott by pensioners if they refused to contribute to pension campaign funds or generally support the movement. Citizens generally were not informed of the appalling financial costs which were involved in the pension plan or of its effects upon other governmental services.

The pensioners have not been paid in full because the tax resources assigned to this purpose are inadequate to meet the costs. The pension payments are higher than the general standard of living of the citizens of the state and are not adjusted to the needs of the recipient. Other dependent groups are obliged to get along on woefully inadequate funds. The state's deficit of nearly two million dollars last biennium was directly traceable to the amendment.

The ultimate cost and effects cannot be foreseen. The number of pensioners increases monthly and Colorado with the most liberal pension plan of any state in the union will undoubtedly be a mecca for the aged and those who are approaching old age in other states who will come in increasing numbers to swell the ranks of the pension group.

It is still a moot question whether the state government can raise the revenues required to keep the state a going concern in view of the restrictions placed on the taxing power of the legislature under this amendment.

Tennessee Counties Stand Pat

Economic instability of "horse-and-buggy" units makes strong case for consolidation under recent permissive legislation; but counties take no action.

By M. H. SATTERFIELD
Tennessee Valley Authority

TENNESSEE'S present counties, ninety-five in number, were all organized prior to 1880. This was the "horse-and-buggy" period and numerous courthouses were necessary in order that the county seat be accessible to county residents. Other considerations favored, or at least did not stand in the way of, the establishment of small counties. The establishment of county-seat towns provided a means of opening up and developing a new country. During this period the services required of counties were few in number and relatively inexpensive. Consequently, the necessity for consideration of such matters as tax base and cost of government did not exist.

After the turn of the century, however, factors favoring the small county largely disappeared. Since the advent of the automobile and the consequent improvement of roads, the distance to the county seat is no longer an important consideration. Improved transportation facilities have brought the state capitol "closer" than county seats were four decades ago. The services now required of counties are more numerous, more complex, and considerably more expensive. Furthermore, concentration of wealth in property other than real estate and tangible property has caused a shift in taxpaying ability. The result has been that counties which served well the needs of a "horse-and-buggy" era are no longer able to pay for the services required of them.

Tennessee has its share of small, uneconomic counties. For example, the areas of the ninety-five counties range from 122 square miles in Lake County to 801 square miles in Shelby. There are five other counties that have areas of less than 200 square miles each, whereas only one other, Wayne, has an area of as much as 700 square miles. The differences in population are even more pronounced. Van Buren County had a population in 1930 of only 3,516, whereas the population of Shelby County was 306,482. Fourteen other counties in addition to Van Buren had fewer than 10,000 inhabitants. The 1930 population was less than 20,000 in each of fifty-one counties of the state. Three counties in addition to Shelby had populations in 1930 of over 100,000. These four counties, which contain the state's four major cities, constituted 32.3 per cent of the total population of the state. On the other hand, the fifty-one counties with fewer than 20,000 inhabitants accounted for only 23.9 per cent of the population.

More important than the size or population of Tennessee counties is their financial ability to perform the services imposed upon them. Al-

though it is not possible to compute the full economic power of Tennessee counties, the value of their local tax bases can be estimated fairly accurately. Because of the marked difference among Tennessee counties in assessing procedures, assessed valuation cannot be used as a basis for reflecting their economic resources. In 1937, however, the Tennessee Taxpayers' Association made a rather careful computation of the ratio of assessed to full values for all counties in the state.[1] Applying these ratios to 1938 assessments, while not entirely accurate, gives a fair indication of the economic resources of the counties. The full valuation of taxable property varies from $1,619,294 in Pickett County to $408,266,361 in Shelby County. In seventy-two of the ninety-five counties taxable property amounts to less than $20,000,000, as the following tabulation shows:[2]

Estimated Value of Taxable Property	*Number of Counties*
Under $5,000,000	17
$ 5— 10,000,000	26
10— 15,000,000	18
15— 20,000,000	11
20— 25,000,000	8
25— 30,000,000	5
30— 40,000,000	3
40— 50,000,000	2
50—100,000,000	1
Over 100,000,000	4

It is interesting to note the close relationship between taxable resources and population. Of the forty-three counties with taxable resources of less than $10,000,000, all but three had populations in 1930 of less than 20,000 each. Furthermore, twelve of the seventeen counties whose taxable resources are under $5,000,000 had fewer than 10,000 inhabitants each. A majority of the forty-three counties mentioned above are counties of declining population; twenty-eight had a decline in population between 1920 and 1930, and ten of these had fewer inhabitants in 1930 than in 1890.

STATE AID NECESSARY

Another indication of the economic instability of the Tennessee counties with small taxable resources is the proportion of their revenues received from state funds. The state in 1938 supplied 45.6 per cent of the total revenue receipts of county elementary schools in the ninety-five counties of the state. The forty-three counties whose taxable resources are under $10,000,000 received 68.2 per cent of their school revenues from the state. Only one of these counties received from the state less than the average for all counties, and in two others the proportion of state funds was less than 50 per cent of total school revenues. In the remaining forty counties the proportion ranges from 53.9 to 84.5 per cent, and twenty-two of them received 70 per cent or more of their school revenues from the state.

Since the state now furnishes a large proportion of the revenues and will probably have to increase the amount of such aid to these unsound and uneconomic units of government,

[1] Tennessee Taxpayers' Association, *The Taxpayers' Report upon the Second Annual Statewide Survey of County, City and Town Government in Tennessee*, Nashville, 1938.

[2] In one county it was necessary to base the estimated value upon 1937 assessments.

it means that essential services in these counties are being provided at an unnecessarily high expense to the taxpayers. Is there a less expensive method of meeting the situation? County consolidation has been advanced as one means of solving this problem.

PROCEDURE FOR MERGER

The movement for the consolidation of counties in Tennessee began in 1919 when by legislative action James County was absorbed by Hamilton County. Since that time numerous proposals for consolidation have been made but no further legislation was passed until 1939, when the General Assembly enacted legislation setting up machinery for the consolidation of counties. This legislation has been hailed as the most "basically important" and "far reaching" introduced during this or any other session of the legislature.

Under this statute two or more counties or parts of counties may consolidate or merge. Any county desiring to take advantage of the statute may do so by securing the signatures of qualified voters in the county equal in number to at least 25 per cent of the votes cast in the preceding gubernatorial election. This petition must be presented to an ex-officio state consolidation committee consisting of the governor, the attorney-general, the commissioners of taxation, highways, education, and conservation, and the executive director and secretary of the State Planning Commission. Upon receipt of the petition the governor appoints a county consolidation committee, composed of the county judge or chairman and trustee of the petitioning county, the county judges or chairmen of the absorbing counties, and five signers of the petition. These two committees, in joint session within the petitioning county, hold public hearings which representatives of the governing bodies of the counties concerned are invited to attend.

The joint committee is required to report its findings and recommendations on the feasibility of consolidation within ninety days of receipt of the petition. These findings are published and distributed in each of the counties affected and, if consolidation is recommended, an election must be called in the petitioning county within ninety days after publication of the report. The consolidation proposal, to be effective, must be approved by a two-thirds vote of the qualified electors in the petitioning county.[3] Furthermore, no consolidation becomes effective until September 1, 1942, and quadrennially thereafter.

In addition to establishing machinery whereby consolidations may be accomplished, the act provides for certain financial inducements to encourage consolidations. In the first place, each county participating in a county consolidation proposal receives, within sixty days after consolidation is voted, a lump sum grant

[3]No election on consolidation is held in the absorbing county and the act has been criticized in that respect. It has been argued, however, that since the constitution does not require approval by the absorbing county, to have provided for an election would have further delayed consolidations. The two-thirds favorable vote in the petitioning county is required by the constitution.

from the state not to exceed $50,000.[4] In addition, each absorbing county receives, for a period of five years following the effective date of consolidation, a state grant equal in amount to a tax rate of eight mills on the taxable property of the county being absorbed. Both grants are to be used to reduce the outstanding indebtedness of the counties receiving them.

WILL COUNTIES MERGE?

Now that machinery for the consolidation of counties has been provided, what likelihood is there of reducing the number of counties in Tennessee? One must admit that the prospects are not very promising. Innumerable obstacles stand in the way of county consolidation. As one authority on county government has stated: "The government of an area such as a county is not only a rectangle on the map, it is an affair of human beings, with all that implies in the way of interests, prejudices. passions, jealousies, and distrusts."[5] Tennessee counties are no different from counties in other states in this respect.

Since the act became effective, only one county has attempted to take advantage of its provisions. A petition was filed with the state consolidation committee in April 1939 requesting that Union County be merged with Knox County. At the time of this writing, almost nine months later, no action has been taken toward securing consideration of this proposal. It is reported that the Governor failed to appoint the county consolidation committee because of opposition in both Knox and Union Counties. Elected officials in both counties publicly denounced the proposal. Knox County officials oppose the consolidation because of its possible effect upon party control within the county. Public officials in Union County are naturally reluctant to merge their stronghold with a much larger county. These and other obstacles emphasize the difficulty of securing consolidation through permissive legislation. In addition to the "courthouse gang," business and professional groups that have become established in county-seat towns may be expected to array themselves against consolidation, for it would mean removal of the county seat to another locality.

While a number of Tennessee counties are small and uneconomic units of government, it is probable that some method other than consolidation through permissive legislation must be sought to relieve them of their plight.

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[4]It should be pointed out, however, that counties receiving such grants are required to reimburse the state the principal amount of the grant over a period of twenty years. Such payments are to be made by the state's withhholding a sufficient amount of the two-cent portion of the gas tax now distributed to the counties.

[5]Lane W. Lancaster, *Government in Rural America*, New York, D. Van Nostrand Co., 1937, p. 388.

Saginaw: A Lesson in Efficiency

Lower tax-rate, reduced bonded indebtedness, pay-as-you-go fiscal policy, plus distinguished record of municipal achievement, result of four years of city managership.

By HOWARD M. KLINE
University of Maryland

A PREVIOUS article on the political aspects of manager government in Saginaw noted the events and forces leading to its adoption, the continued support given by leading citizens, and the coöperation between the manager and council—the principal characteristics of the four years since January 1936. The purpose of this article is to survey the many administrative accomplishments and physical improvements in this same period.

PERSONNEL

All administrative personnel is recruited on the basis of the merit principle. There are over five hundred such employees, whose merit system is administered by a Personnel Advisory Board composed wholly of appointees from outside the system.[1]

Prior to the installation of the merit system a complete job analysis survey was made and a classification and compensation schedule was drawn up to conform to the job specifications. In each of these steps the Michigan Municipal League's Personnel Service coöperated, and it regularly assists the board in giving and grading competitive examinations.

A personnel manual, containing all existing rules and regulations, has been compiled and distributed. Employee service rating forms have been prepared and their use is officially required of appointing officers. Individual personnel records designed to make easily available a history of each employee's relation to the city also have been installed.

Each succeeding year has shown an increase in the number of applications returned, the number of persons reporting for examination, and the number of persons passing examinations. Whether these flattering indices are attributable to the attractiveness of public jobs generally, to the difficulty of finding industrial employment, or to the high standards introduced, the board does not undertake to decide, but it is generally known throughout Saginaw—indeed, through a large part of the state—that the municipal merit system is "on the level" and that politics are "out."

IN-SERVICE TRAINING

One of the hallmarks of an aggressive city administration is the attention given to in-service training. In Saginaw this has been confined largely to the police and fire departments. Although the total police force numbers only eighty-five, the

[1]The Personnel Advisory Board is composed of three non-salaried members from outside the city hall. One is appointed by the manager, one by the mayor, and the third by the other two.

department budget for the current fiscal year makes provision for a full-time police instructor. A lieutenant attended the FBI school; the chief investigator of the traffic division held a fellowship for an eight-months course at Northwestern University's Traffic Institute;[2] a supervisor from the same division took a ten-days course in first aid at the Kellogg Foundation; sixteen men took the Red Cross first-aid training; numerous men participated, at their own expense, in tests given by the United States Revolver Association.

The two fire department drill masters attended a course at the Detroit Fire College sponsored by the State Board of Education for Vocational Training, and all active firemen spend at least one hour daily studying fire-fighting technique, hydraulics, hazards of chemicals and gases, city geography, and the location of alarm boxes and water connections. During the summer months these studies are augmented by regular instruction at the department drill tower.

In-service training has not gone beyond these two major departments, except that four mechanics from the municipal garage attended evening courses in modern methods of automotive repair and maintenance at the General Motors Institute in Flint. Present plans include both an extension to other departments of the opportunity for further study and an intensification of those programs already begun.

[2]Northwestern University sent a group of its students to Saginaw to study and observe the organization and operation of the traffic division as being "one of the best in the country."

DEPARTMENT REORGANIZATION

Probably the sharpest contrast between the new manager government and the former commission government is to be found in the plan of departmental reorganization. Under the commission, the relative burdens on the several commissioners were grossly inequitable; the public safety and the light-water-sewers portfolios were both more extensive and politically more advantageous than the other three posts. Reorganization and reallotment of duties to accomplish a more equitable distribution was made impossible because these two important posts were held by men whose ambitions and continued clashes were the immediate cause of the advent of the manager plan. Then, too, the Saginaw commission faced the same problem which every commission confronts, namely the necessity of forcing all municipal functions into a fixed number of departments whether or not they are integrally related to other duties already committed to those departments.

The new manager administration, unhampered by charter requirements of a fixed number of departments, and free from the personal rivalries occasioned by the combination of legislative and administrative functions in the same hands, undertook administrative reorganization immediately. The new charter facilitated the changes by leaving the number of departments, bureaus, and divisions to be determined by temporary regulation of the manager until the

administrative code should be prepared and enacted.[3]

Availing himself of this authority, the manager created at once a division of purchases, subsequently made permanent by its inclusion in the code. Annually, this division has purchased supplies costing over a quarter of a million dollars. The cost of maintaining the division has ranged below 2 per cent of the total of such purchases, and the division estimated that it had saved the city nearly 15 per cent of the total cost of its purchases during its first full year of operation. A further step in centralized control was taken when the mimeographing office and all office stationery and supplies were placed under the control of the purchasing division and a central storeroom was created.

Public Administration Service was invited to come to Saginaw to survey and make recommendations respecting the central garaging and servicing of all motor equipment. Their recommendations were followed. All motor equipment except that assigned to the fire department is now stored and serviced in a central garage located behind the city hall, thus eliminating four departmental garages. A cost accounting system and individual equipment history records were installed in order to provide accurate accessible information on a phase of municipal activities which heretofore lent itself to estimates only.

In order to cut gasoline costs—the city uses over 10,000 gallons per month—a 16,000-gallon gasoline tank was built to accommodate tank car lot purchases. Hence, gasoline costs were cut from the 1935 figure of 14 cents per gallon paid by the commissioners to 7.2 cents per gallon.

The police department was also reorganized along lines suggested by Public Administration Service after a special survey. The department now contains five divisions—patrol, investigation, crime prevention, traffic accident prevention, and records and communication. Civilian clerks replaced policemen who had been assigned to the desk and the latter were returned to active duty. In 1938 Saginaw won first place in the National Safety Council contest as the city in its population group which made the greatest reduction in its record of traffic injuries and fatalities.[4] The city's crime rate shows a slight decrease. Prevention, both of criminal offenses and of traffic accidents, has been receiving emphasis.

Of the modernized department of finance the manager is especially proud. In this department, the three offices of assessor, controller, and treasurer, formerly separate, were consolidated and to it all water accounts were transferred. Other changes include replacement of old

[3]The charter provided for an administrative code to be enacted by the council on the recommendation of the manager. The code defines the number of departments and offices, their duties, and the manager's control over them. Released in the summer of 1938, it has been widely distributed among students of municipal administration and officials of other cities.

[4]The record:

	1933-4	*1934-5*	*1935-6*	*1936-7*	*1937-8*	*1938-9*
Fatalities	16	18	18	20	17	7
Injuries	455	434	576	506	449	350

hand methods in the accounting and billing divisions with mechanical equipment; adoption of the uniform classification of accounts as set up by the Municipal Finance Officers' Association; substitution of the double entry system of bookkeeping on an accrual basis for the old single entry system; installation of a payroll audit system.

Because of these improvements, the Saginaw finance department is being recognized as one of the finest and most modern in the country for a city of its size.

GUESSWORK ELIMINATED

City administration on the basis of approximations and guesswork has been abandoned. The record of the last three years under the old commission government fails to disclose any significant instances in which the commission admitted its inadequacy or inexpertness to deal with the problems confronting it. Any doubts in its mind were apparently resolved by public hearings for the benefit of those citizens immediately concerned.

The attitude of the new government is significantly different. The council and manager have been willing to call in advisers from outside the city. The council does not assume to have ready-made solutions for city problems without some investigation, and it has reconsidered and re-examined earlier plans and programs from time to time.

Prior to 1936 there had not been in over ten years a comprehensive audit of all city accounts; there was no full map of one of the municipal cemeteries; there had been no inventory of city property and equipment within the recent past. All these omissions were supplied within the first year of the new government. Of course, these delinquencies are not the *sine qua non* of municipal administration; they merely suggest the carelessness of past officials.

An important engineering firm was retained to make an examination of and prepare estimates on the condition of the city's seven bridges. On the basis of its recommendations and estimates discussions were undertaken with the State Highway Department looking toward reconditioning or replacement over a period of years. Saginaw's bridges have been standing many years and have long been a source of unfavorable comment and local irritation.

In coöperation with the State Stream Control Commission, studies of river pollution have been continued and plans for a new source of water supply have reached an advanced stage.

Before new programs have been undertaken, special committees of the council, which in all cases include the manager, have often been created to make investigations and to re-examine past commitments. The whole problem of the insurance and bond requirements of the city was restudied, and proposals for a new market site and for abandonment of the old city hospital were referred to a special committee for study. The conclusions of these special committees received full council support.

On the direction of the council, the manager submitted a ten-year capital improvement program, to which continual reference is made

for general planning purposes. When the gas and electricity franchises expired in December of 1938, a special committee on utilities was named to study the whole utility-city relationship. This committee ultimately recommended a municipally-owned electric plant and changes in the franchises; the city won significant rate reductions and rate structure simplifications.

IMPROVED PUBLIC RELATIONS

The new government has consistently emphasized improved relations with the public. The charter provides for a Bureau of Public Information and Complaint for the purposes of furnishing information to citizens and of receiving complaints from them relative to municipal services. The bureau has been assigned a conspicuous office in the city hall, and the number of inquiries handled has progressively increased. The bureau also has custody of the Municipal Reference Library which, although primarily for city officials, is open to the public.

The office hours of all city employees were extended from six and one-half to seven and one-half hours per day and all offices used by the public were kept open during lunch hour. The hours of tellers in those offices receiving tax and water moneys were staggered in order to keep the offices open during Saturday afternoons[5] and, during final payment periods, evenings.

To facilitate the handling of traffic violations, a fixed schedule of fines was adopted and a Traffic Violations Bureau established as an adjunct to the Municipal Court. The revenues from traffic violations increased 82 per cent in the first year of the bureau's operation and the city has begun to collect large sums which formerly went unpaid.

Hardly a year in the last ten has passed without finding the city and the gas and electric utilities companies in some controversy, conference, or court action. Rates, both for private and for municipal purposes, rate schedules, and franchise interpretations, as well as the "rights" of the parties, have been argued, and a municipally-owned electric plant has been proposed (threatened) on several occasions. During the nearly four years of manager government the city representatives succeeded in having a complex rate schedule simplified and is getting a lower rate for street lighting. Three hundred street lights, out since 1933 as an economy measure, have been relighted; yet the total cost of present street lighting is lower than before the reduction.

PUBLIC IMPROVEMENTS

In three and one-half years the new administration has undertaken more public improvements than Saginaw had seen in the preceding twenty. Of course, many of these improvements have been financed, in whole or in part, with federal and/or state funds; but the council and the manager have been alert to their opportunities. The policy of the council has been to avail itself fully of federal and state moneys, particularly those for work programs,

[5]This practice was abandoned after three years' trial, on the grounds of insufficient patronage.

and as a result millions have been poured into physical facilities. Federal money for public works, it will be remembered, has been obtainable since the summer of 1933 and the former commissioners had a reasonable period in which to qualify for their share.

An $18,000 addition to the municipal garage, a 16,000-gallon gasoline tank, twenty-two new voting machines, a 500-watt police radio transmitter and fifteen mobile transmitters for scout cars,[6] a new $138,000 central fire station[7] with $18,000 in new alarm equipment have been bought or constructed from city funds exclusively. And they were paid for in cash!

The council early decided to use WPA funds and WPA workers for as many "permanent" public improvements as possible, and has given over many council sessions to studying and planning new projects. The list of works undertaken and completed is impressive. Street name signs placed in 1933 by CWA workers were utterly illegible in most cases within two years. The city purchased, through the Michigan Municipal League, 8,800 new signs for nearly 2,000 street intersections. The city paid for the signs and for some new pipe, and the signs were placed by WPA labor under the direction of the city engineer.

Five new sections in the municipal cemetery were shaped, graded, and drained; more than 175 miles of unpaved streets were graded and ditched; abandoned street car tracks were removed from eight important thoroughfares, until the project was discontinued because of the excessive cost to the city; all the machinery and the whole interior of the city water works were cleaned and painted by WPA painters; the most important of the city's seven bridges was reconditioned, practically reconstructed, to prolong its usefulness twenty additional years. This bridge project required nearly ten months to complete and was budgeted at $125,000.[8] The municipal airport was subjected to a $370,000 project.[9]

Perhaps the most ambitious of all the works projects is a general parks program of $2,000,000 involving every piece of city-owned park property. The project was set up on a two-year basis to average 1,000 men, and calls for the removal of more than 1,500 dead trees, the shaping and turfing of the city land along paved streets between the sidewalks and the curb, a swimming pool, a field house, bleacher seats for 5,000 persons, various shelter houses, picnic facilities, twenty-two softball and four hardball diamonds, eighteen concrete tennis courts.

Long needed sewer facilities were

[6] Both the main transmitter and the 15 mobile units were built and installed by members of the department. An index of the economy effected may be gathered from the fact that the city paid $1,400 for parts for the main transmitter and the contract cost was fixed at $10,000 by a commercial firm. The parts for each of the mobile units cost $180 and the contract cost was fixed at $350.

[7] This old central station was condemned by the state fire marshal in 1918 and four times since that date.

[8] Of this amount the city's share was $51,000.

[9] The city's contribution to the airport project is estimated at approximately $24,000.

brought to a section of the city, annexed in 1921 and with a present population of nearly 5,000, when a new mile-and-a-half, seven-foot monolith sewer was built by WPA labor.

The council and the manager have not overlooked PWA in the quest for opportunities to add to their building record at moderate cost. The federal highway, which passes through the heart of the city and is the main artery of north-south city traffic, was repaved, replacing a forty-two-year-old pavement which had been worn out for more than ten years. Indeed, PWA put up nearly one-third of the cost of the new $324,000 city hall, after the charred ruins of the old one had been cleared away with WPA labor.[10] A new secondary downtown fire station will replace an 1862 barn that was made over into a fire station some decades ago.[11]

It seems permissible to repeat that every dollar of the city's contribution to the costs of these projects was paid in cash from the city treasury, and that no debts were incurred. Beyond these, 2.50 miles of street pavements, hundreds of sidewalks, and 1.41 miles of water mains were laid and the costs (except for water mains) assessed against the abutting property owners. Here, indeed, is a record to which, it is believed, there is neither peer nor parallel among cities in the 80,000 population class.

[10]The actual cost of the city hall reached $341,000, when landscaping, grading and paving were included. Of the original estimate on the building alone the city contributed $210,000 and PWA $114,000. See Manager Cookingham's own explanation of the redesigning in *Public Management*, February 1938, pp. 35-39.

[11]PWA made a 45 per cent grant on the project cost of $46,000.

OLD DEBTS SETTLED

The commission government left a heritage of delinquent and uncollected accounts. For example, the commission entered into understandings with townships outside the city limits whereby the city fire department would answer fire alarms and give full service in these areas for a contract sum. These accounts were very often delinquent[12] and went unpaid for months, or until a fire of some proportion occurred. The new manager government has collected the sums due and has negotiated new contracts with five townships providing a schedule of hourly charges, a guarantee of payments, and adequate insurance to both men and equipment.

Similarly, hundreds of water accounts were delinquent,[13] including both metered and unmetered line service, while the commissioners fought over which of two corporations should get a contract for meters. The commissioners accused a large local foundry of having used, without authorization, $80,500 worth of city water and one of their last acts before the advent of the manager plan was an offer to settle the claim for $6,300. This offer, besides being a confession of the preposterous nature of the original claim, compromised the new administration somewhat, and they ac-

[12]Nearly $8,000 was owing from eight townships on July 1, 1938.

[13]The new finance director reported to the manager in March 1936 that $200,000 was outstanding in overdue water bills.

cepted the smaller sum. The point is, however, that an obligation of five years' standing was settled and an arrangement made to prevent a future recurrence.

The commissioners frequently blamed their fiscal embarrassment on the fact that so large a section of the tax levy was unpaid. It is true that delinquency reached 33 per cent at its depression peak. The finance commissioner persuaded his reluctant colleagues to grant him $2,000 for a "pay-your-taxes" campaign only after a long debate and threatened court action, and this was the only apparent effort to collect more than what came in voluntarily. Delinquent tax moneys were pooled in the general fund and spent for current expenses. The new council and manager immediately began to segregate delinquent tax collections and keep them apart in a capital improvement fund. Most of the improvements noted above have been financed from this capital improvement fund. Further, the percentage of the current tax levy collected has continually increased—whether from "better times," or from a greater public confidence in the new system.

Percentage of Current Tax Levy Collected

1928-29	92.36%
1929-30	90.04%
1930-31	85.40%
1931-32	78.24%
1932-33	67.61%
1933-34	67.08%
1934-35	71.74%
1935-36	77.65%
1936-37	85.81%
1937-38	87.47%
1938-39	89.7 %

The contrast between the methods by which two sets of officials handled these delinquent fire, water, sewer, and tax accounts does not reflect upon the integrity of the former commissioners. They were merely unbusinesslike, whereas the new group are efficient in every particular.

REPORTS TO MANAGER

With so many activities in progress, it is hard to understand how the manager keeps informed on them all. He can, however, discuss with any office caller the method, the status, and the reasons for any action the city has taken or is taking. He uses his lunch hour and his calls to various parts of the city to pass by the numerous projects under construction. One of the principal factors, however, in his over-all supervision is the system of reporting which has been established. Literally, scores of reports come to the manager's desk. A copy of each complaint made to the Bureau of Public Information and Complaint is sent to him. For many months after the manager took office the Police Department sent him a copy of its daily log, but this has been replaced with the monthly consolidated police report. Three monthly traffic reports come from the Traffic Violations Bureau, the traffic division of the Police Department, and the traffic cases in Municipal Court. The county relief commission sends a daily analysis of the case load and a weekly summary of city cases; the WPA district office forwards on Fridays the actual count of workers available and assigned according to their Wednesday count; the inspection division of the Department of Public Works submits a monthly re-

port of inspections made; and the city engineer sends periodic progress on all projects under his supervision.

The financial reports are probably the most important to the manager and are studied very carefully. Every ten days the manager receives from the bank a report, independent of that of the city finance department, on the condition of all funds. By maintaining a percentage chart of the portion of the annual budget already expended, the manager can know at a glance whether the city is ahead of or behind its budget, and what the situation was at a comparable date the previous year.

The Department of Finance's monthly financial report to the manager contains a complete summary of the status of all accounts and all funds, and shows for each budget item both the amount and the percentage of the total expended. The department may be called upon to give more frequent statements on the larger funds and appropriations such as construction moneys. The frequency of these financial reports, and the careful scrutiny given them, explains in large measure why the city has had a surplus at the end of each of its last three fiscal years.

	1935-36	*1936-37*	*1937-38*	*1938-39*	*1939-40*
City	6.9	6.9	6.7	6.85	6.75
Schools	4.6	5.0	4.675	4.9	5.0
County	3.5	3.1	3.625	3.25	3.25

FINANCIAL SITUATION

Saginaw is probably not the only city which has, in the last few years, reorganized its administrative departments, instituted progressive and "accepted" reforms, and made such a substantial record of physical improvements. If this were all, the records would have been good, but not so unusual as to invite special attention. But the story does not stop there. Saginaw is one of the Michigan cities which is operating under the fifteen-mill tax limit. At the time the limit was voted by Saginaw citizens, dire predictions were made of the future of fire and police protection, water and sewer maintenance, health services, and educational and recreational facilities; it was alleged that capital improvements would be next to impossible. The record is otherwise, however, even though the city's share of the fifteen mills has decreased a little:

More than this, the new city government has paid off sums averaging more than $500,000 annually on outstanding debt,[14] without borrowing a single penny.[15] Every city expenditure has been a cash transaction and has been paid in full, except for sewer and sidewalk construction which was financed by the usual special assessment bonds. Nor is this all. In addition to having suffered a loss in millage, having floated no new bonds, and having paid out half a million dollars annually for principal and interest on outstanding debts, the city tax rate for 1939-1940 is the lowest in this century in Saginaw and barely half that of ten years ago. The tax rates since 1929 follow:

1929-30	$18.41
1930-31	18.28

See following page for footnotes 14 and 15.

1931-32	18.17
1932-33	17.55
1933-34	14.27
1934-35	14.08
1935-36	10.69
1936-37	10.65
1937-38	10.65
1938-39	10.65
1939-40	9.75

Tax rates have been reduced while assessed valuation has remained relatively unchanged. By collecting a higher percentage of current levies and by setting aside collections on delinquent accounts, the city has managed to maintain its budget at approximately the same figure—slightly over one million dollars. City budgets toppled 40 per cent from their 1930-1931 peak of $1,805,500 to $1,038,000 in 1938-1939. Meanwhile, Saginaw citizens saw a drop of 60 per cent in the total sums raised for state, county, city, and school purposes during the same period, or from five to two million dollars.

In conclusion, the 80,000 citizens of Saginaw have enjoyed substantial tax relief in the last ten years from all sides, but these reductions have been even more remarkable in view of the distinctive record of municipal achievements decided upon by an alert council and supervised by an informed manager.

To other cities which have also been mired in the bog of personal ambitions and ward politics, which have been led by the stumblings of local politicians along unplanned paths, which have been "administered" by the horse-and-buggy methods of patronage appointments and fiscal guesswork, which have had no significant public improvements to escort their higher tax rates and increased bonded indebtedness, the lesson to be learned from these four years of accomplishments in Saginaw is this: *It can be done.*

EDITOR'S NOTE.—This is the second of two articles on the manager plan in Saginaw, Michigan. The first appeared in the November 1939 issue of the REVIEW.

[14]The amounts of debt retired:

	1936-37	*1937-38*	*1938-39*
Principal	$412,000.00	$381,000.00	$312,955.73
Interest	163,313.75	146,182.50	131,463.68
Total	$575,313.75	$527,182.50	$444,419.41

[15]The gross bonded debt (less special assessment debt), the percentage of the gross bonded to the assessed valuation, and the per capita gross bonded are shown in the following table.

	Gross Debt	*Per Cent of Assessed Valuation*	*Per Capita*
1828-29	$4,581,000	4.74%	$57.83
1929-30	4,613,000	4.67	57.15
1930-31	4,371,000	4.55	53.60
1931-32	4,369,000	4.65	53.04
1932-33	4,053,000	4.39	48.71
1933-34	3,787,000	4.46	45.07
1934-35	3,469,000	3.73	40.88
1935-36	3,234,000	3.43	37.74
1936-37	3,007,000	3.12	35.49
1937-38	2,786,000	2.86	31.90

A Municipality That Is Different

Ocean Grove, New Jersey, a private corporation organized for religious purposes, continues to be governed by self-perpetuating board of trustees with full powers of control although now a recognized municipality of three thousand permanent and forty thousand summer inhabitants.

By MADGE M. McKINNEY
Hunter College of the City of New York

FEW people are aware that there are, within the boundaries of the United States, communities in which the laws are made by municipalities which are in no sense responsible to the public and in which license fees are collected by political bodies that make no financial report. Such communities are not numerous—but they exist and they are protected by the laws of the state in which they are located.

Their existence was made possible by the bestowing of governmental powers upon private corporations, a procedure which was fairly common in the last century, if the private corporation was organized for religious purposes. At the time it seemed very natural that religious bodies should be given large authority over the small and often desolate areas which they owned. The tremendous real estate developments of the last few decades, however, have changed some of these areas into well populated and prosperous communities—which are still under the control of a self-perpetuating board of trustees of a semi-private corporation.

Ocean Grove, New Jersey, was organized in 1869 "to provide for the holding of camp meetings and the promotion of holiness" and was incorporated as a camp meeting association in 1870. Today, it is a popular seaside resort with certain unique religious restrictions, such as the closing of its streets on Sunday to all vehicles excepting those on errands of mercy. Although it occupies only a square mile, it now has, in addition to its summer population of about 40,000, a permanent population of 3,000 inhabitants—the size of an average American village. It is still operating under its original charter which made Ocean Grove Camp Meeting Association a body corporate and *politic*.[1] The community has long been treated as a municipality but it was not until 1931 that the courts definitely applied that term to it.[2]

The charter named twenty-six men who constituted both the original membership and the trustees of the association. These men were to "manage the affairs of the said corporation." When a vacancy occurred they were empowered to choose a successor by a two-thirds vote, but such successors were to be and remain members of the Methodist Episcopal church in good and regular standing. This is the governing body of Ocean Grove today—a self-perpetuating Board of Trustees who must be Methodists. The by-laws of

[1] N. J. Acts 1870, c. 157.
[2] *Whitehead* v. *Board of Public Utilities*, 108 N. J. L. 258 (1931).

the association have added another restriction that one-half of the board must be Methodist ministers. There is no requirement that they reside in Ocean Grove and in actual practice the majority live elsewhere.[3]

These qualifications are understandable for the trustees of a camp meeting association but they are peculiar requirements for the governing body of a municipality. Moreover, although the powers of the organization have frequently been challenged in the courts, the religious requirement has not been specifically attacked. In a case involving municipal franchises the question of a religious test attached to such franchises was raised. In that case, the court maintained that the existence of other acts *in pari materia,* unchallenged for nearly fifty years, should turn the scale in favor of the law, if there was any doubt of its constitutionality.[4]

SIMILAR TO MANAGER PLAN

The powers of the trustees are enormous—over the little area that the association owns they are almost dictatorial. They can make ordinances which have the effect of law and are enforceable through the courts. They can determine who may and who may not live upon the property owned by the association, they may lay out streets, pave them (or leave them unpaved), determine how the streets may be used, license vehicles for trade purposes and other businesses located within their boundaries. Moreover, they may appoint their own peace officers to enforce their ordinances, prescribe penalties for infraction of their rules, and build a jail for the detention of their prisoners.

Excepting for the method by which it is chosen, the Board of Trustees is very like a city council under a manager form of government. The board elects its president, secretary, treasurer, and other officers. These are selected from its own members and are unpaid. The trustees also appoint a manager who is a paid official administering the affairs of the corporation—and like many city managers he is influential in its formulation of policy.[5]

The public nature of the association is clearly brought out when its powers are carefully scrutinized. Its ordinance power is as complete as that of any municipality. This power rests partly upon the charter and partly upon the laws of New Jersey pertaining to camp meeting associations. Provision is made for the publication of ordinances and the method of enforcement is definitely prescribed. The board itself may fix penalties for violations and such penalties may be recovered through the regular courts.[6]

There are few limitations upon

[3]Many of the trustees who reside in other places spend some weeks in summer months at Ocean Grove. A number of the trustees give their residence as Philadelphia and New York. One is located in Missouri, one in Maryland, and one in Massachusetts; others are scattered over the state of New Jersey.

[4]*Percello* v. *Ocean Grove,* 100 N. J. L. 407.

[5]The present manager is Joseph A. Thoma. He is a man who has risen through the ranks of the employees of the association and is thoroughly acquainted with its problems. He was appointed in 1934.

[6]N. J. Rev. Stat. (1937) 40: 95 to 100.

this power and most of them are of minor importance. The board must fix the precise penalty for an infraction. The court refused to recover judgment for a violation where the board had named a maximum and a minimum penalty and left it to a justice of the peace to fix the exact amount.[7] It has also been said that suits for recovery are civil suits in the courts for small cases and as such are not reviewable by *certiorari* in those cases where parties are given appeal to the Court of Common Pleas.[8] These limitations are not unlike the restrictions upon other municipalities.

Some of the powers of the association are exercised through its proprietary rights. The charter gives the association the right to purchase and hold real and personal property and to dispose of such property as it sees fit. Today, all of the land in Ocean Grove belongs to the association and is under the control of its trustees. The lots are leased for ninety-nine years, subject to renewal by the lessee, his heirs, or assigns forever. Leases were originally sold by the association to parties "who may be vouched for as to good moral character in sympathy with the objects of the association." In addition to the purchase price of the lease, the association collects an annual rent of $10.50 on each lot. The courts have upheld the trustees in their contention that this compensation is rent not a tax, and the lease contains a provision for re-entry if the rent is not paid.[9]

Every lessee pledges himself to abide by the rules of the association. This arrangement gives the Board of Trustees complete control over the selection of "tenants"—a right which is carefully exercised. Real estate agents in Ocean Grove do not hesitate to state that there are religious qualifications for ownership (technically a lease) of land in that territory. Moreover, although the land is technically owned by the association and leased to the tenant, the association can force the tenant to construct and repair sidewalks and curbings facing the property which he occupies.[6]

TAXES PAID TOWNSHIP

The tenant pays taxes to Neptune Township, in which the association is located, both upon the value of his lease and upon any buildings which he has built upon it, for the courts have upheld the contention of the association that the lot tax should be paid by the tenant.[10] Failure to pay these taxes results in a curious situation in which ownership of the buildings is taken over by the township of Neptune but the land always remains the property of Ocean Grove Camp Meeting Association.[11]

Another power that the association exercises as a body politic is the license power. This little community organized in 1870 for religious pur-

[7] *Slocum* v. *Ocean Grove,* 59 N. J. L. 110 (1896).

[8] *Layton* v. *Ocean Grove,* 59 N. J. L. 369 (1896) following *White* v. *Neptune,* 56 N. J. L. 222 (1893).

[9] *Ocean Grove* v. *Sanders,* 68 N. J. L. 631 (1902).

[10] *Ocean Grove* v. *Reeves,* 79 N. J. L. 336, affirmed 80 N. J. L. 464 (1910).

[11] N. J. Acts 1872, c. 457.

poses has become a prosperous village and there are located upon its grounds over seventy-five hotels, restaurants, tea rooms, grocery stores, drug stores, a department store, ice cream parlors, gift shops, taxi stands, and all of the other accompaniments of a seaside resort. From all of these the association can, and does, collect license fees.[6] These fees are fixed by the Board of Trustees, collected by their officers, and subject to their conditions. This power has been repeatedly contested in the courts and always upheld.[12]

License fees may be for revenue and yet no restrictions are placed upon the purposes for which such money shall be used and no published annual report or financial statement is required. In the early days a financial report was made public each year but none has been published since 1919.

The association has the power to maintain its own peace officers. This power was given to it by its charter which says:

> Said trustees shall have the power to appoint such peace officers as shall be deemed necessary for the purpose of keeping order on the camp grounds and premises of the corporation, which officers shall be paid by said corporation for their services; but shall have, when on duty, the same power, authority, and immunities which constables and other peace officers under the laws of the state possess and enjoy. . . .

There are today seventeen policemen in Ocean Grove, endowed with the powers of public officers but selected and paid by the association. It appears that at one time the legislature of New Jersey felt that the responsibility for such officers should not be left to the association alone, for in 1876 it passed a law which read:

> It is lawful for the governor, on application in writing of the board of trustees of any duly incorporated camp meeting association, . . . to commission one or more persons whom such trustees shall designate and request, not exceeding six in number, as peace officers for the purpose of keeping order on the camp grounds. . . .[6]

One history of Ocean Grove states that a police force was so commissioned in 1876.[13] There is no evidence that this law was ever repealed but in recent years the police have received their commission from the association alone according to the rights given to it in the charter, prior to the law. Thus, the trustees obtain direct control over the enforcement of their ordinances. Moreover, the association has built its own jail for the detention of its prisoners. The police department is well equipped and the police car is constantly cruising the streets of the corporation. According to a history of Ocean Grove compiled by the *Ocean Grove Times*, the police filed 1,755 reports in 1938.[14]

Many of the powers of the cor-

[12] *Thompson* v. *Ocean Grove*, 55 N. J. L. 507 (1893); *Slocum* v. *Ocean Grove*, 59 N. J. L. 110 (1896); *Percello* v. *Ocean Grove*, 100 N. J. L. 407 (1924); *Whitehead* v. *Board of Public Utilities*, 108 N. J. L. 258 (1931).

[13] *The Story of Ocean Grove*, by M. S. Daniels. New York, The Methodist Book Concern, 1919.

[14] *History of Ocean Grove*, by Gibbons and Gibbons. Ocean Grove, N. J., *Ocean Grove Times*, 1939.

poration provide for the performance of public services and entail considerable expense. The laws permit the association to establish streets, sewers, drains, and parks,[6] and it has established all of these services.

The association charges a fee for the disposal of sewage. Each lease holder is charged $6.50 a year for this service. Garbage collection is now taken care of by the township of Neptune.

In 1925 the association (solely upon the action of the Board of Trustees) sold the Ocean Grove Electric and Water Plants to the Eastern New Jersey Power Company and thus relieved itself of some of its responsibilities.

The Fire Department is under the control of a fire district and, although the boundaries of the district coincide with those of Ocean Grove, this service is not under the control of the association.

It is through the ownership of its property that the corporation maintains most of its power and it has guarded this right zealously. On one occasion it resisted condemnation of one of its lots by the township of Neptune for the purpose of erecting a public school. After a bitter court fight, the property was condemned. It had been leased for ninety-nine years to a commercial enterprise and the court carefully stated that it was not necessary to determine whether it could have been condemned if it had not been so leased and was being used for religious purposes.[15]

This is not the only setback that the association has had at the hands of the courts. The charter allowed the association $5,000 property exemption—which at the time was more than the value of its property. The tax law of 1903 repealed all exemptions from taxation excepting those allowed in the law itself. The courts decided that this law might repeal charter exemptions and Ocean Grove lost its valuable tax immunity.[16]

The character of the territory adjoining Ocean Grove was at one time influenced by the association. Early in its history the trustees were successful in getting a law through the legislature which prohibited any board from granting licenses to sell liquor within one mile of the outside limits of any camp meeting association. The law was upheld by the courts and a license granted by Asbury Park was voided.[17] It remained in force through the prohibition days but was repealed in 1933.

COMMUNITY DEBT-FREE

There is one way in which Ocean Grove differs from many municipalities. Although little can be learned about the financial condition of the association, the trustees are very proud to tell you that it is out of debt. There are three facts that throw some light upon this high degree of solvency. First, the proceeds from the sale of Ocean Grove Electric and Water Plants in 1925 were applied to the existing debt, which was said to have been about half a million dollars. Second, expenditures

[15] *Ocean Grove Camp Meeting Association* v. *Neptune*, 3 N. J. Misc. 349 (1925).

[16] *Hanover Township* v. *Camp Meeting Association*, 76 N. J. L. 65 (1908).

[17] *Sexton* v. *Board of Excise Commissions*, 76 N. J. L. 102 (1908).

for education, the largest item on most municipal budgets, are borne by Neptune Township. Of course, Ocean Grove taxpayers contribute as individuals to the township fund for educational purposes, but this in no way affects the balance sheet of the association. Another reason why the association is out of debt is found in its sources of revenue. Aside from the ground rent and sewer tax collected from the lessees and the license fees which have already been described, the association has many sources of income which arise from the fact that Ocean Grove is a seaside resort. It operates its own bathing beach (everyone who uses the beach for swimming must rent a bathhouse owned by the association), it owns a large number of houses which it rents as would any other landlord, it maintains a tent colony which it leases to summer tenants, it receives remuneration for concessions upon the boardwalk, and it operates a three-hundred-bed hotel facing the ocean. In addition to this, the collections from the large religious meetings held in the auditorium, which has a capacity for 8,500, go through its hands. Of course, the association pays taxes upon its real property. It is impossible to estimate its income—but its sources of income are numerous.

SOME DISSATISFACTION

That the inhabitants of Ocean Grove have not always been satisfied with its government is evidenced by the fact that there have been many attempts to transform the association into a borough. The last and most successful attempt was made in 1920. After much agitation a bill was passed by the New Jersey legislature creating a borough in Ocean Grove but specifically stating that the streets were to be closed to vehicles on Sunday. This bill was referred to the voters of Ocean Grove in a referendum and received a majority vote. It went into effect in the summer of 1920. Borough officers were elected and a borough government was set up. But the government was short-lived. Almost immediately appeal was made to the courts and a few months later the New Jersey Court of Errors and Appeals declared that the act constituted special legislation and was unconstitutional.[18]

There have been other times in the history of Ocean Grove when the inhabitants have shown discontent and have formed various organizations to voice their protest. These organizations have been known as the Lessees' Association or as the Board of Representative Lessees. No such organization is active today and none is known to be in existence. The manager claims that he receives few petitions and that those he does receive pertain to minor questions.

In general, there is an atmosphere of complacency in Ocean Grove. Interrogation of a number of the citizens, however, did show some smoldering discontent—perhaps no more than in other municipalities. When asked how he liked the government under which he lived, one business man replied that he could not understand why he paid a higher license fee than persons in the same business

(Continued on Page 84)

[18] *McCrain* v. *Ocean Grove,* 96 N. J. L. 158 (1921).

Uncle Sam Counts Noses

1940 Census Covers Wide Range of Subjects of Vital Importance to Municipal Officials

By ROSCOE WRIGHT
Chief of Public Relations, United States Bureau of the Census

THE sixteenth decennial census of the United States is a major federal government activity in 1940. Already under way, since early January, are the censuses of business, manufactures, and mines and quarries.

Scheduled to begin on April 1 are the censuses of population, agriculture, and housing.

New inquiries for the census of 1940

The population schedule for the census of 1940 will be notable for a number of new questions concerning employment status, migration, and education, and for the innovation of the sampling technique to widen the scope of the inquiries.

Employment and wages

A comprehensive picture of the variations of employment status will be obtained for all persons of fourteen years or more by inquiries determining: those employed (actually working or having a job); those unemployed, or new workers, all of whom are seeking work; those engaged in home housework, attending school, unable to work, or retired; the number of hours worked during the week of March 24-30, 1940; the duration of unemployment up to March 30, 1940, in weeks; the number of full-time weeks worked and the amount of money wages or salary received during the twelve months ending December 31, 1939; the occupation, trade, profession, or particular kind of work performed by each worker; the industry or business group in which each worker is employed; and the class of worker such as employer, own account worker, unpaid family worker, private wage worker, or regular or emergency government wage worker.

The net effects of internal population migration during the preceding quinquennium will be obtained by requesting place of residence for each person as of April 1, 1935—state (also territory or foreign country), county, and incorporated place having 2,500 or more inhabitants.

Extent of education

The amount of formal education will be revealed by a question asking for the highest grade of school completed.

On the basis of a 5 per cent sample (questions to be asked of each twentieth respondent), the following subjects will be covered: the usual occupation, industry, and worker class as a supplement to information obtained concerning present occupation, in order to determine the availability of and shifts to various kinds of labor; whether the respondent has a federal social security account number, and whether wage deductions have been made for federal old-age insurance during the twelve months ending December 31, 1939; data showing the number of children ever born to women who are or have been married, to make studies of differential fertility; mother tongue or native language obtained by a question asking what language was spoken in the home in earliest childhood; the status of all veterans of foreign wars and their wives, widows, and children; and information concerning the place of birth of the father and the mother of all respondents.

Complete survey of housing

In 1940, for the first time, the decennial census will include a separate housing schedule designed to give detailed information for each dwelling unit in the United

States, whether occupied or vacant, rural or urban. For each dwelling unit data will be secured as to the number of rooms, water supply, bath and toilet facilities, and light equipment. For each occupied unit, or household, infomation will be obtained concerning the principal refrigeration used, the presence or absence of a radio, the character of the heating equipment, and the principal heating and cooking fuels used.

Character of houses

In the case of each residential structure it will be determined whether it is for single, double, or multiple family occupancy, whether or not it contains a business unit, for what purpose and in what year it was originally built, the principal exterior material of the structure, and whether it is in need of major repairs.

Vacant dwelling units will be identified as to whether they are ordinary dwellings or suitable only for seasonal occupancy, whether they are for sale or for rent or held for occupancy of an absent household, and the estimated monthly rental value of each such non-farm dwelling unit. For each non-farm renter-occupied dwelling unit it will be determined whether or not the monthly rental includes the use of furniture (and if so of what value) as well as the average monthly cost of utilities and fuels paid for by the renter in addition to the monthly rental.

Owner's estimate of value

In the case of the non-farm owner-occupied dwelling unit an estimate of the market value of the property will be obtained, whether or not there is a mortgage or land contract on the property, and the present amount of the first and second mortgage indebtedness. Finally, for each owner-occupied dwelling unit having a first mortgage or land contract the amount and periods of payment, the interest rates charged, and the type of corporation holding the mortgage will be determined.

Correlating the information

The individual returns given for population, housing, and agriculture are cross indexed to facilitate comparison, checking, and joint use, to the end that all three inquiry categories may be considered essentially as one superschedule.

NEW THOUGHTS ON THE SHORT BALLOT

(Continued from Page 20)

These facts, it is submitted, prove quite conclusively what is pretty much everyone's experience—that at the present time the average voter, particularly in primary but also in general elections, is not performing his voting responsibility with any degree of intelligence. In other words, the shortening of the ballot, which means the simplification of the voter's task, seems today, as it did to those early founders of the short ballot movement in 1909, to be an indispensable and urgent reform to restore the control of the government to the people.

The words of Richard Childs should be emphasized once more, and over and over again: "The long ballot is the politician's ballot, the short ballot is the people's ballot."[7]

Editor's Note.—Address delivered before Forty-fifth Annual Conference on Government of National Municipal League, Indianapolis, November 17, 1939.

[7]Richard S. Childs, *The Short Ballot* (New York, National Municipal League, 1930), Sixth edition.

He Is an American

Editorial Reprinted from
The New York Sun

He is an American.

He hears an airplane overhead, and if he looks up at all does so in curiosity, neither in fear nor in the hope of seeing a protector.

His wife goes marketing, and her purchases are limited by her needs, her tastes, her budget, but not by decree.

He comes home of an evening through streets which are well lighted, not dimly in blue.

He reads his newspaper and knows that what it says is not concocted by a bureau, but an honest, untrammeled effort to present the truth.

He has never had a gas mask on.

He has never been in a bombproof shelter.

His military training, an R. O. T. C. course in college, he took because it excused him from the gym course, and it was not compulsory.

He belongs to such fraternal organizations and clubs as he wishes.

He adheres to a political party to the extent that he desires—the dominant one, if that be his choice, but with the distinct reservation that he may criticize any of its policies with all the vigor which to him seems proper—any other as his convictions dictate, even, if it be his decision, one which holds that the theory of government of the country is wrong and should be scrapped.

He does not believe, if his party is out of power, that the only way in which it can come into power is through a bloody revolution.

He converses with friends, even with chance acquaintances, expressing freely his opinion on any subject, without fear.

He does not expect his mail to be opened between posting and receipt, nor his telephone to be tapped.

He changes his place of dwelling, and does not report so doing to the police.

He has not registered with the police.

He carries an identification card only in case he should be the victim of a traffic accident.

He thinks of his neighbors across international borders—of those to the north as though they were across a state line, rather than as foreigners—of those to the south more as strangers since they speak a language different from his, and with the knowledge that there are now matters of difference between his government and theirs, but of neither with an expectancy of war.

He worships God in the fashion of his choice, without let.

His children are with him in his home, neither removed to a place of greater safety, if young, nor, if older, ordered ready to serve the State with sacrifice of limb or life.

He has his problems, his troubles, his uncertainties, but all others are not overshadowed by the imminence of battle and sudden death.

He should struggle to preserve his Americanism with its priceless privileges.

He is a fortunate man.

He is an American.

Comments in Brief

Nothing New Under the Sun!

DEEP in the stacks of the Palto Alto public library there was found recently a file of the earliest issues of the first magazine of the League of California Cities. . . . This first issue [1899] contained an editorial entitled, "A Profession of Municipal Management." Written forty years ago, long before the first city manager charter was drafted, it is believed to be one of the first, if not the very first, published suggestions of the city manager form of municipal administration.

This early editorial suggested that the city's "business manager should be something of an engineer, he should have a technical knowledge of street construction, he should understand sewer construction, he should know something concerning the science of electricity, the science of hydraulics, and the operation of machinery . . . and furthermore, he should be an accountant and also have a fair knowledge of municipal law." . . .

Mr. Mason [H. A. "Dad" Mason, first secretary of the League of California Cities] ended his editorial with a reasoned plea for training for the work of managing municipalities stating that "every city that receives and spends $50,000 annually ought to have a salaried business manager." *Western City.*

AMERICA is reputed to be the birthplace of the city managership system. But the principle of the city managership, if not the title, was established in Birmingham [England] a hundred years ago. It would be interesting, indeed, to know if John Dester, who served the Street Commissioners of Birmingham for a period of thirty-three years, was actually the first city manager. Dester seems to have been responsible for everything concerned with the administration of Birmingham except the legal work of the clerk to the commissioners and the surveying and engineering work of the surveyor. Among his duties were those of rate collector, accountant, road surveyor, inspector of nuisances, superintendent of watchmen and streetkeepers, and superintendent of scavengers, horses, and carts. *Municipal Journal and Public Works Engineer.*

Welcome to Our City

AN "Acquaintance Improvement Bond" is a clever new advertising promotional novelty used by the city of Santa Ana, California. Printed to resemble a regular bond form, it sets forth that "Under and by virtue of an act of the City Fathers, said city will endeavor to pay to the bearer of the bond a large and overflowing portion of HOSPITALITY, FRIENDSHIP, and ENTERTAINMENT." The bond carries the signature of the Mayor, City Clerk, and City Auditor. It is being used by the city to extend

its invitations to various associations and group meetings held within the city. *Editorial Research Reports.*

The Morning After

AMERICAN cities have been on a hundred-year "bender"—a century of wild, reckless, unplanned growth! This is the cold, grey dawn of the morning after, a time to find out where we are, what we have done, and where we are going. SHERMAN S. SHEPPARD, address before Tampa, Florida, Chamber of Commerce.

Gleaned from the Daily News Columns

The Horsey Set

A WELL known society girl of White Plains [which voted recently on the adoption of proportional representation] attended a P. R. meeting. . . . After hearing the discussion on P. R. she rose to her feet and said: "Mr. Chairman, I am heart and soul against P. R. and I want to register a protest against open horse betting. This P. R. which legalizes gambling should be defeated at all costs."

With a hurried "I thank you," she left the hall. Before she got out of the door, however, she was grabbed by one of the P. R. boosters and told that P. R. had nothing to do with horse racing or gambling.

"Oh, dear," she sighed, "I thought that P. R. meant Pari-Mutuel." *Westchester Bulletin,* Yonkers, New York.

No One Wants the Money

Oklahoma County [Oklahoma] owes $5,307 to creditors who won't come in and collect it.

"It's a strange condition," mused Commissioner Grover Pendleton, "when people we owe money won't bring their bills in and collect. We have the money available and still they won't come in." *Christian Science Monitor.*

Asks a West Point for Legislators

State Senator Joe R. Hanley of Perry [New York], Republican majority leader, advocates establishment of a civil academy to train young men and women for public service.

Senator Hanley said the academy could operate much as West Point and Annapolis. Graduates could be selected by the public for its senators and representatives. *World Telegram,* New York City.

Contributors in Review

CONSTANT association with affairs of local government in Toledo serves **Donovan F. Emch** (*Toledo, Taxes, and Relief*) as background for his current analysis of the relief crisis there. After his appointment to the political science faculty at the University of Toledo in 1931, Professor Emch plunged into the following assorted activities (among other endeavors): 1933—three-month audit of relief in Toledo for Lucas County Relief Administration, short appraisal of the city manager plan for the city council, member of advisory committee for CWA research; 1935—research secretary of the Lucas County Charter Commission; 1937—report on delinquent special assessments in selected areas for Lucas County auditor.

MOST of the vital statistics regarding the professional career of **Dr. Howard M. Kline** (*Saginaw: A Lesson in Efficiency*) were recorded in the November 1939 issue of the REVIEW, when the first of his two articles (written in collaboration with Mrs. Kline) appeared.

AN ANNUAL summer vacation from professorship at Hunter College was responsible for **Madge M. McKinney's** discovery of *A Municipality That Is Different*. Dr. McKinney has taught also at Western Reserve University and at Cedar Crest College in Allentown, Pennsylvania. Her extra-curricular activities, besides the periodic sojourn at Ocean Grove, include the authorship of articles on such diverse subjects as training for citizenship in the secondary schools of New York City, the right of asylum, and constitutional amendment in New York State.

TO HELP assume an unbiased ballot" **James K. Pollock** (*New Thoughts on the Short Ballot*) was named by the Saar Plebiscite Commission in 1935 to preside over one of the voting bureaus. The appointment constituted a recognition of Professor Pollock's reputation as a specialist on political parties and elections in the United States and Europe which was built up as a fellow of the Social Science Research Council traveling in Europe in 1927-29, as chairman of the Michigan Civil Service Study Commission, as author of nine scholarly volumes and numerous articles, and as professor of political science at several universities, currently the University of Michigan.

FOR the Brookings Institution, **Harold S. Rand** (*The Food Stamp Plan Raises an Issue*) has just begun an administrative and organization study of all public relief agencies in Monroe County, New York, of which the city of Rochester is the seat, and in which, in turn, the food stamp plan originated. He is a staff member of the Rochester Bureau of Municipal Research and also an instructor in American government at the University of Rochester. Mr. Rand has just completed the real property inventory of Rochester which the bureau undertook at the request of the city administration.

AN ASSOCIATE social science analyst with the Social and Economic Research Division of the Tennessee Valley Authority, **M. H. Satterfield** (*Tennessee Counties Stand Pat*) has been making surveys of county and city government in the Tennessee Valley area. Except for a brief period as an instructor in political science at the University of Nebraska and later as field representative for the American Municipal Association, Dr. Satterfield's employer has been the federal government. He was once assistant state director of resettlement with the FERA, later becoming regional representative for the Resettlement Administration.

(Continued on Page 54)

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The Researcher's Digest: January

Washington municipal salaries top 1929 levels; trends in Buffalo school costs; New York State research bureau disputed; a new Newark research periodical; sheriffs and what to do with them.

IS THE depression over? It depends upon what business you're in. For public employees of Washington cities—to narrow the field with due caution—it appears that it is. A painstaking compilation of salary data by the **Bureau of Governmental Research of the University of Washington** (Report No. 40, November 1, 1939) shows, not in words, for no verbal conclusions are drawn, but in statistics, that most civil servants in Washington cities are being paid, in 1939, at least as well as in 1929, and in many cases better.

On the basis of questionnaires sent to city clerks, the bureau compiled salaries paid by 109 municipalities in the state for the year 1939, and statistically analyzed salary trends from 1929 to 1939 for official positions in the fifty largest cities of the state. Using an index rating of 100 for the average salary paid in the big cities in 1929, for each of twenty-seven different positions, ranging through mayor, department heads, stenographers, manual labor, etc., the bureau followed the salary through the key years 1933, 1936, 1938, and 1939. In 1933, as might be expected, the indexes dipped way down into the eighties and in some cases as low as seventy. The rally in 1936 was noticeable, but few salaries reached the 1929 level. By 1938 there was a big rise, however, only slightly topped by the 1939 wage levels.

The bureau also shows the cumulative salary index for each city. In 1933 the median salary index was 91, the average 89, the range 67 to 104. In 1936 the range had increased to 68 to 112, but the median was still 91 and the average had risen only two points over 1929. By 1939, however, the median was 101, slightly above the 1929 level, while the average was 102, and the range was 77 to 131.

Still another type of analysis was employed by the bureau. For each of the twenty-seven positions, for each of four periods—1929-1933, 1933-1936, 1936-1938, and 1938-1939—there is given the number of cities in which salaries increased, were reduced, or remained the same. The salary slaughter is shown to be terrific in the 1929-1933 period, but the number of reductions greatly decreased in the next three years, while by 1939 hardly any reductions are recorded.

Pricing an Educated American

Another exhaustive compilation from official records, in a different field from that of the Washington bureau but in a similar vein, has been made recently by the **Buffalo Municipal Research Bureau.** Using the same technique as the Washington bureau—the presentation of cost figures over a period of years without comment—the Buffalo bureau shows trends in the *Cost of Education in the Public Schools of Buffalo* from 1931-32 to 1939-40. As a foil for the recent omnibus report presented by the Regents' Inquiry into the Character and Cost of Public Education in the State of New York, the bureau's compilations show the situation in Buffalo as compared with the rest of the state.

The Regents' Inquiry reported that the gross current expense of operating the public schools in the state increased in the ratio of 100 to 376 between 1917 and 1935. The Buffalo bureau found that the local cost rose from 100 to 390 in the same period. Carrying the local study further, the bureau discovered that by 1938-39, four years later, Buffalo school costs increased to 4.2 times the 1917-18

appropriation. The bureau makes further generalizations with regard to trends in the local school population, teaching load, salaries and wages, per pupil cost of instruction, number of employees, state aid, school borrowings, etc.

New York Relief Controversy

The **New York State Bureau of Governmental Research** has had an exciting record of controversy in the relatively short period of its being—which would be two years come spring. From the beginning the bureau has placed most emphasis on research studies purporting to show the high cost of government in New York State, as compared with other states. Relief administration, especially, has come in for the bureau's critical scrutiny, and periodic bulletins have charged that fraud, inefficiency, and "politics" are seriously impairing the effectiveness and increasing the cost of public welfare in the state's localities. In the bureau's September 18 bulletin, five recommendations were made for improving relief administration: (1) an audit of relief by an independent state agency under the comptroller; (2) power to the state social welfare department to require reductions in local staffs and to limit other administrative costs; (3) setting up of appeal boards to which persons on relief can carry grievances; (4) extension of the State Civil Service Commission's supervision over relief administrative staff workers; (5) a Hatch bill for relief workers.

Many of the bureau's cost of government allegations have been assailed by state officials and others, but the statements regarding relief have come in for most of the rebuttal. A memorandum issued on December 5 at the request of the state legislature by the New York State Charities Aid Association, citizens' organization devoted to promoting effective public welfare and health administration, disputes four of the five relief recommendations, as well as the original premise on which they were based. The association's assistant secretary denies that the cost of relief in New York is indeed unjustifiably greater per capita than elsewhere, and supplies its own figures to prove its assertions; insists that the bureau's proposal of an independent audit of relief would duplicate existing audits which are already adequate and would further increase the cost of welfare; warns that an increase in the powers of the State Department of Social Welfare as advocated by the bureau would wipe out local responsibility for relief; claims that proposed appeal boards would increase, not decrease, relief expenditures; points out that steps have already been taken to extend civil service to relief bureau personnel, and finally agrees with the bureau's suggestion that there should be a "Hatch bill" for relief employees. As a final blow, the association questions the validity of the data on which the bureau bases its charges of fraud and inefficiency.

"Notes on Newark"

Colorful capsule periodical bulletins continue their increase in popularity among research bureaus. Latest recruit is the **Newark Bureau of Municipal Research,** which announces a new publication, *Notes on Newark,* which will "cover important municipal topics and report in condensed form the results of more extended formal research. Planned for wider circulation than the bureau's survey reports, *Notes* will be purposely brief, possibly curt, always timely, factual, and nonpartisan." The initial issue of the new bulletin, devoted to explaining what the bureau is and why, is printed on heavy paper, the color scheme an attractive bright blue and gray.

Boston Considers the Sheriff

Counties and their vestigial elective offices make citizen heads ache regardless of geographical location. Hence there should be more than local interest in the **Boston bureau's** recent attack on that

moot question, what to do with the sheriff and his entourage. In a December 11 bulletin peremptorily titled "Modify the Office of Sheriff," the bureau not only explains the sheriff's legal and practical place in the Boston political scene, but also suggests remedies for the evils which derive from the position as it is now constituted. The bureau advocates transferring control of the Charles Street Jail, over which the sheriff now holds sway, to the Penal Institutions Department of the city, placing personnel under civil service, audit of the fees of the sheriff's deputies, and expert survey of county government affairs in general.

Research Bureau Reports Received

Budget

A Budget Manual for Washington Municipalities. By Arthur N. Lorig. Seattle, Bureau of Governmental Research, University of Washington, Sept. 1, 1939. 23 pp.

The City Budget Compared. Providence Governmental Research Bureau. Nov. 1939. 1 p.

Finance

Financial Remedies Available. New York State Bureau of Governmental Research, *Bulletin*, Nov. 30, 1939. 2 pp.

Salaries

Salary Trends in Washington Cities. Seattle, Bureau of Governmental Research, University of Washington, Nov. 1, 1939. 40 pp.

Schools

The Cost of Education in the Public Schools of Buffalo. Buffalo, Municipal Research Bureau, Inc., Nov. 1939. 23 pp. Fifty cents.

Our School Children—Their Achievement. Citizen Planning Committee for Public Education in New Orleans, La., *Planning for our Schools*, Nov. 26, 1939. 12 pp.

Financing our Schools. Citizens Planning Committee for Public Education in New Orleans, La., *Planning for our Schools*, Dec. 3, 1939. 10 pp.

Sheriff

Modify the Office of Sheriff. Boston Municipal Research Bureau, *Bulletin*, Dec. 11, 1939. 4 pp.

Tax Rate

Tax Rate for City Taxpayers. Rochester Bureau of Municipal Research, Inc., *Municipal Research*, November 1939. 1 p.

CONTRIBUTORS IN REVIEW

(Continued from Page 51)

BEGINNING at the training school conducted by the New York Bureau of Municipal Research, **Don C. Sowers** (*The Old Age Threat in Colorado*) has spent most of his career in numerous capacities in various bureaus of municipal research, including those in Dayton, Akron, and the University of Colorado, where he has been since 1922. Dr. Sowers has also been secretary-treasurer of the Colorado Municipal League since 1923, in which year he served as assistant budget commissioner under Governor William E. Sweet. Under Director Sowers the Bureau of Business and Government Research of the University of Colorado has conducted over forty business surveys and reports, in addition to numerous reports on governmental subjects.

News in Review

City, County, State Progress in Brief

Training for Public Service to the Fore

Federal, State, and Local Governments Offer In-service Programs

Many Cities Discuss Manager Plan

Edited by
H. M. OLMSTED

More than 27,000 public employees were enrolled in federally-aided training programs during the year ended June 30, 1939, according to a preliminary survey of statistical reports from State Boards for Vocational Education, as reported in "Public Service Training Notes," by Lyman S. Moore, public service training consultant, U. S. Office of Education. More than 13,000 of these were firemen, more than 7,000 were policemen, and the remainder consisted of such diverse groups as waterworks operators, sewage-works operators, employment-service supervisors, foresters, finance officers, sanitary inspectors, tax collectors, weights and measures inspectors, public utility operators, public welfare officials, hospital employees, highway employees, motor vehicle tax inspectors, and prison officers. Twenty-seven states conducted fire training programs, nineteen police training programs, and fourteen conducted programs for public employees other than firemen and policemen. Thirty-two states conducted public in-service training programs under the provisions of the Smith-Hughes and George-Deen acts.

Significant State Legislation for Better Civil Service

Improvements in methods of selecting personnel directors, legislation giving the directors more complete charge of the technical functions of state merit systems, and provision for in-service training of public employees are significant developments in state civil service laws adopted during the past three years, according to a digest prepared by the Civil Service Assembly of the United States and Canada.

Eight of the states which adopted or amended their civil service laws in 1937 or 1939 delegated to the personnel director the administration of all technical functions of the merit system, instead of following the former fashion of establishing full-time, bipartisan commissions to supervise all operations.

Under the newer laws, the civil service commissions are relieved of responsibility for technical and administrative details. They act more in an advisory capacity on major policies. States in which this procedure is followed under the provisions of recent laws include Alabama, Connecticut, Maine, Massachusetts, Michigan, Minnesota, Rhode Island, and Tennessee.

The personnel director, appointed by the governor in most states, is chosen from an eligible list established through competitive examination in two of the states—Rhode Island and Minnesota—which adopted civil service in 1939. The Civil Service Commission in Minnesota actually makes the final choice. In Rhode Island the commission selects the examining committee and thus shares with the governor, who makes the final choice, the responsibility for securing a well qualified person. Both states, as well as Wisconsin which chooses its personnel director in the

Rhode Island manner, declared non-residents eligible for the position.

Provision for in-service training of state employees as a regular function of the state personnel agency was written into the laws of Alabama, Rhode Island, and Minnesota this year. The personnel director is in charge of this training.

One-Day Regional Schools for Civil Service Officials in New York

Regional municipal training schools for civil service commissioners and secretaries of the cities of New York State were held in seven centers during November and December. The schools operated under the direction of the Municipal Training Institute administered by the New York State Conference of Mayors and other Municipal Officials. Coöperating agencies included the State Department of Civil Service, the Bureau of Public Service Training of the State Education Department, and the Conference of Mayors.

The schools gave instruction in the fundamentals of the jobs of civil service commissioners, secretaries, and members of their office staffs. The subjects of instruction presented in all regional schools included powers and duties of municipal civil service commissions and local civil service rules, examinations, certifying and appointing eligibles, checking and certification of payrolls, personnel forms and records and methods of filing, and relation of the State Civil Service Commission to local commissions. There was also an extensive round table discussion and question box period on problems of civil service commissions.

Training for City Planning in New York

New York University School of Architecture and Allied Arts has announced an intensive twelve-weeks course beginning January 3 in the Theory and Practice of City Planning, with special emphasis upon New York City and the metropolitan region. The legal basis, organization, functions and methods of the New York City Planning Commission will be used as the fundamental background for the various phases of the course, which will include lectures, laboratory work, and special design.

The course will provide special training for aspirants to city planning opportunities, public and private, particularly in connection with the difficult and expanding tasks of the New York City Planning Commission.

Dr. Carol Aronovici will have charge of the course, assisted by a corps of experts including Sir Raymond Unwin, Clarence Stein, Harold S. Buttenheim, Harold M. Lewis, and others.

Merit System Progress in Cities, Counties, States

Twenty-seven local governments adopted, extended, or consolidated civil service provisions for their employees in 1939, according to a survey of local developments in the merit system by the Civil Service Assembly of the United States and Canada. Recent advances in various municipal, county, and state governments are reported in the Assembly's December *News Letter*.

Atlantic City, New Jersey, on November 7, saw voters approve a civil service system covering approximately one thousand municipal employees. The State Civil Service Commission, which will administer the merit system, is already at work on a classification plan for the city. A similar civil service referendum was defeated by the electorate in Maplewood, New Jersey.

By action of the Alabama legislature, a Personnel Board has just been created to administer a merit system for the county of Mobile and its municipalities. The cities included are Mobile, Citronelle, and Prichard. Similar to the act establishing the Jefferson County, Alabama, merit system, the statute provides for election of the Personnel Board by a Citi-

zens' Supervisory Commission. The board, which appoints a director of personnel, is authorized to determine the need for personnel, to order the increase or decrease of personnel, and has power to fix salaries in the classified service.

Official returns from the civil service referendum election held at West Palm Beach, Florida, showed that 796 votes were cast for the merit system and 620 against it.

An ordinance was adopted in Wheeling, West Virginia, consolidating the activities of the Municipal Civil Service Commission, Police Civil Service Commission, and Fire Civil Service Commission under a new five-member commission.

Counties in the state of Wisconsin were given permission by the state legislature to establish civil service systems applicable to all county personnel including personnel authorized by statute to be appointed by officers, boards, committees, or commissions, with the exception of the members of the governing body, elective constitutional officers, members of boards and commissions, and members of the judiciary. It was further provided that the counties might establish a retirement system for their employees.

Voters in Detroit, Michigan, last month approved an amendment to the city charter extending civil service provisions to employees of the Detroit Street Railways and Rapid Transit Commission, certain employees of the Welfare Department not now under civil service, and common laborers.

Rapid progress in the installation of a merit system for the state of Minnesota is reported by the new State Department of Civil Service. The classification of the approximately ten thousand positions in the state service with the help of the Public Administration Service will be completed by March 1, 1940. Public hearings have been scheduled by the State Civil Service Board on rules for the operation of the department.

Other cities adopting merit administration this year were Atlanta, Georgia; Greenville, South Carolina; Bowling Green and Owensboro, Kentucky; Lincoln Park, Michigan; Chicago Heights, Mt. Vernon, Monmouth, and Sterling, Illinois; West Allis, Wisconsin; and Fairfield, Homewood, and Tarrant, Alabama.

Among cities which broadened civil service provisions were Norfolk, Virginia; Newport, Kentucky; and Fort Smith, Arkansas, all three of which extended coverage from police and firemen only to all city employees. Fayetteville, North Carolina, and Gary, Indiana, introduced civil service for police department employees, while Elgin, Illinois, added several groups of employees to a system already established.

Council-Manager Plan News

The council-manager plan is being discussed at public hearings in **Washington, D. C.,** dealing with proposals for reorganization of the local government of the District of Columbia, including local suffrage. The manager plan is strongly advocated by Wilbur S. Finch, chairman of the reorganization committee of the Federation of Citizens' Associations, who has proposed a council of approximately twenty-one to represent the geographical divisions of the district and various points of view of the citizens, such council to appoint a city manager.

A bill embodying a new council-manager charter sponsored by the Charter League, Inc., of **Central Falls, Rhode Island,** is to be introduced in the legislature of that state. This charter would do away with the present two-chamber municipal legislature, comprised of five aldermen and eleven councilmen elected by wards, and would substitute a single council of five members, nominated by petitions of fifty to one hundred signers per candidate. The ten winners in the primary would be candidates in the final election, the five with the highest numbers of votes being elected, and the one receiving the maxi-

mum votes being declared mayor. The city manager, who is to be chosen by the council, as well as the members of the council itself, would be subject to recall. An election for such purpose may be called when 1,000 signatures have been obtained to a petition stating the reasons for recall.

The charter commission of **Dunkirk, New York,** has sponsored open forums for discussion of charter revision, at the second of which, attended by some fifty persons, nine speakers advocated the manager plan.

A new campaign for enactment of enabling legislation for **Pittsburgh, Pennsylvania,** has been initiated by the Allegheny County League of Women Voters.

A modified form of county-manager government has been informally agreed upon by the commissioners of **Fulton County, Georgia,** containing the city of Atlanta. The clerk of the county commission is expected to assume managerial duties under the title of executive secretary.

Mayor Maury Maverick of **San Antonio, Texas,** hopes to submit to the public a city manager plan, to be drafted by a small committee, at the same time as a recodification of the city's ordinances, in about six months.

Manager government for the towns of **Boothbay, Boothbay Harbor,** and **Southport, Maine,** was the leading topic of discussion at the annual meeting of the Boothbay Harbor Region Chamber of Commerce on December 5.

Mayor Joseph R. Sober of **Redding, California,** has told the Shasta County grand jury that he believes the appointment of a city manager would improve greatly the efficiency of municipal operation, including the functioning of the police department.

In **Springfield, Massachusetts,** a local committee is making an active campaign for adoption of the statutory Plan E form of city government (manager and P.R.). This plan was discussed on December 15 at the High School of Commerce by Walter J. Millard, field secretary of the National Municipal League, at an open meeting sponsored by the Springfield Taxpayers' Association.

In announcing the talk Frederick D. Griggs, executive director of the association, pointed to the recent court action against several city employees as added proof that a revision of the city government is needed.

A council-manager charter for **Gladewater, Texas,** is expected to be submitted to the voters shortly.

Councilman James H. O'Boyle of **Monrovia, California,** is advocating manager government for that city. Councilman F. E. Yost charges lack of coöperation between the present council and various operating departments of the city.

The city council of **Roseville, California,** has turned down a proposal for a referendum on the council-manager plan.

The City Club of **Portland, Oregon,** is renewing interest in the manager plan, which it endorsed six years ago. A panel discussion was held at the December meeting.

Governor Charles A. Sprague of **Oregon** has advocated the manager plan for **Salem,** the state capital and his home city.

The **Windsor, Ontario,** city council declined to order a referendum on council-manager government.

Sidney, Ohio, and **Mankato, Minnesota,** are among cities reported as interested in the manager plan.

On December 27 Mayor Bryce B. Smith of **Kansas City, Missouri,** resigned in protest against the appointment of William Drennon, a retired insurance director, as city manager, by a city council coalition of adherents of Thomas J. Pendergast, imprisoned political boss, and Congressman Joseph Shannon, formerly rivals within the local Democratic party. Smith had advocated the selection of a trained manager from some other city. It is reported that

efforts for a city recall election on February 13 have been intensified.

Texas Personnel Conference Made Permanent

The success of the first Texas Personnel Conference, held recently by the University of Texas, was such that the two hundred industrial and commercial personnel leaders of the state who attended voted to make it a permanent organization, and selected as head W. R. Woolrich, engineering dean, who served as chairman. Officials from seven fields of business—banking, department stores, insurance, manufacturing, newspaper publication, petroleum, and utilities—as well as various governmental agencies attended the conference and took part in the discussions following the addresses and panels.

Cities Meet Increased Requirement on WPA Projects

The requirement that cities must contribute a minimum of 25 per cent to the WPA projects in every state as a whole, which goes into effect after January 1 under the Work Projects Administration act, is not expected to work any hardship on most communities, according to the American Municipal Association. The average local contribution is already approximately at this point in most states and in some above it. To some extent, the increase in work relief costs borne by the sponsoring city or state is reported to be due to the limitation imposed by the new law on the amount of federal funds going to meet non-labor costs. Such federal contributions are limited to six dollars per month per man.

At least thirteen states are turning to local work programs of various kinds, the association said. WPA officials urge cities to refrain from setting up programs which would employ people at relief wages for maintenance work that should be a regular function of local government.

Handbill Ordinances Must Not Abridge Civil Liberties

Various cities may find it advisable to rewrite or reinterpret their ordinances on the distribution of handbills in light of the recent decision on the subject by the United States Supreme Court.

Invalidating anti-handbill ordinances in Los Angeles, Milwaukee, Worcester (Massachusetts), and Irvington (New Jersey), the court's opinion stated that although cities "have every right to enact regulations in the interest of public safety, health, welfare, or convenience," they cannot, in enforcing these ordinances, abridge the constitutional right of free speech and freedom of the press. The American Municipal Association has issued a memorandum discussing the decision and making suggestions.

Dual Office-Holding in Montreal

The Montreal Citizens' Committee has recently criticized the fact that the mayor and two of the city's aldermen are also members of the new legislature of the province of Quebec and propose to retain both offices. The committee contends that this makes for divided allegiance and undue mixture of politics and administration.

State Regulation of Interstate Liquor Shipments

On Novemeber 20 the Supreme Court of the United States upheld in the case of *Ziffrin* v. *Reeves* a Kentucky law requiring carriers of alcoholic beverages from Kentucky distilleries to destinations in other states to be regularly licensed in Kentucky, and restricting licenses to common carriers.

The case settles one of the two remaining "interstate commerce" barriers to effective state regulation, the other being the question whether a state can channelize, as by licensing trans-shippers, interstate shipments across the state to a destination beyond its borders. Kentucky experience shows that regulation of trans-

port across state lines—especially on highway and waterway—is essential to regulation of the alcoholic beverage market traffic if the job is to be done at reasonable cost.

JAMES W. MARTIN
Bureau of Business Research
University of Kentucky

Fellowships at University of Denver

Graduate fellowships in the field of local government are again being offered by the University of Denver under a grant from the Alfred P. Sloan Foundation. The maximum fellowship stipend per twelve-month period is $1,200 for single persons and $1,800 for married men. Applications will be received by the Committee on Selection, Department of Government Management, University of Denver, not later than March 1, 1940, for the class beginning in September 1940.

Fulton County and Atlanta Survey Bears Fruit

Counties Demand Payments from TVA "in Lieu of Taxes"

Edited by
ELWYN MAUCK

THE survey of Atlanta and Fulton County, Georgia, made by the Consultant Service of the National Municipal League, under the direction of Dr. Thomas H. Reed, approximately two years ago, has begun to bear fruit. The Atlanta Chamber of Commerce which sponsored the survey is largely responsible for the translation of the various recommendations into practice.

Chief among recommendations of the Reed report were: (1) a strong executive government for both Atlanta and Fulton County; (2) abolition of the ward system; (3) establishment of civil service systems in the city and in the county; (4) assumption by the county of the relief burden; (5) consolidation of all local public hospitals under a joint board of trustees, with the cost of maintaining them equitably distributed; (6) consolidation of city and county health departments; (7) establishment of a metropolitan planning district; (8) fire and police protection and parks and playgrounds to be provided the county by the city on a contractual basis; (9) a constitutional amendment granting limited home rule to Fulton County; (10) establishment of a recreational division in the city parks department; (11) a budget system and cash basis for Fulton County.

In the brief time since the report was made many of the recommendations have been put into effect. Some of the recommendations required action by the Georgia legislature and at its regular session in 1939, the necessary legislation was enacted to carry out several provisions. Perhaps the most significant of these acts was the one calling for abolition of the ward system. This was accomplished in the form of an amendment to the municipal primary act —an amendment which did not reveal its true content. It was enacted before the ward politicians realized what it meant. The amendment added the italicized language in the following section:

> The persons authorized by the rules of the party organization or association to hold such primary election shall provide an official ballot, *the names of the candidates shall be submitted to the electorate of the municipality in the same manner as in the general election*, whereon shall be printed all the names of the candidates for the various offices, candidates for which are being voted for.

The effect of the amendment may be to eliminate many of those on the city council who have been opposed to the report.

Another law that was passed by the 1939 legislature called for a merit system for the city of Atlanta. The act followed the lines of the Reed recommendations, though it fell short of them in many re-

spects. It provided for a civil service board composed of three members appointed by the mayor for six-year staggered terms. It provided also for an administrative head of the classified service to be called the personnel director. He is to be selected by the board and receive a salary of $3,600.

Excepted from the classified service are the following: (1) officers elected by the people; (2) officers and employees specifically exempted by law; (3) all assistants and employees in the department of law; (4) election officials; (5) officers and employees in the departments of police, fire, and education having their own civil service or tenure rules; (6) officers and employees of the Carnegie Library and its branches; (7) employees of the city of Atlanta making a salary of $70 per month or less; and (8) a few other miscellaneous classifications. All other employees are placed in the classified service. At present they number approximately 1,250. The police and fire departments operate under a so-called civil service system previously adopted.

When a position covered by the act is vacant, the director certifies the names of three eligible people standing highest on the register to the appointing authority. Rules of promotion are to be worked out. The Civil Service Board is endeavoring to curb the political activity of those in the classified service.

The general assembly of 1939 proposed a constitutional amendment also which would allow it to provide for a civil service system for Fulton County. This amendment was ratified by the people at a special election in June. Probably such an act will be passed at the next session of the general assembly.

Another important recommendation of the Reed report was cleared so far as legal difficulties were concerned by the recent session of the legislature. This relates to the right of Fulton County to contract with Atlanta for the performance of certain functions. Henceforth Fulton County can contract with the city of Atlanta for police, fire, sewer, and other services.

Recently the Battle Hill Sanitorium and Grady Hospital were consolidated under a single board of trustees, a step also in line with the survey recommendations. Furthermore the Fulton County Commission has adopted a budget system putting the county on a cash basis. The recommendation to the effect that a division of recreation be established in the Department of Parks has been carried out. And finally the entire relief burden has been assumed by the county as recommended.

In January 1939 a Citizens' One-Government League was formed. After an unsuccessful effort to secure immediate fundamental reorganization from the legislature, it adopted the following five-year plan:

> (1) Establish one new, modern, efficient government to replace the present obsolete governments of Atlanta and Fulton County, thus doing away with the present duplication of effort and divided responsibility and eliminating the accompanying waste of tax money and "buck-passing" between our two present governments; (2) by this means, or in the meantime by working for city-county coöperation by contract, establish one system of tax assessment and collection, and of health, hospital, police, fire, sanitary, park, planning, and other services; (3) work out with the citizens of DeKalb County a plan designed to protect fully the citizens of that county as to its taxable revenues and to provide such services as they may elect to receive; (4) to attain the objectives above, work to assure the passage at the next regular session of the legislature, subject to popular vote, of a constitutional amendment and a concurrent statute establishing a new government, and of such other legislation as may be necessary.

The Reed report, although it indicated that a merger of the two governments would be highly desirable and the ultimate solution if it could be achieved, did

not recommend such a merger. Thus the One-Government League goes beyond the recommendations in the report.

CULLEN B. GOSNELL
Emory University

County Plans Advancing in New York City Area

At the annual meeting held early in December by the committee to consider the development of the *Plan for New York City and its Environs,* great satisfaction was expressed concerning the progress made toward planning development. One hundred seventy local planning boards have been established, of which nine are county boards. Nassau has authorized the creation of a board, and will constitute the tenth county. The major problem now is that of securing adequate appropriations. In most units the appropriations are meager, but in some the planning boards have been expected to live wholly without funds. The committee will exert its efforts to alleviate this situation.

Seattle Forum Features County Government

The sixth session, on November 21, of the Local Government Forum sponsored by the Municipal League of Seattle turned the spotlight of public attention to county finance. The topic of discussion was "County Financial Management: The Assessor, the Auditor, and the Treasurer." After the meeting the forum members were conducted through the county assessor's office to study methods of assessing property, levying taxes, and spending funds. Those participating included county officials, newspaper men, and representatives of investment houses.

Local Government in TVA Area Faces Difficult Readjustments

COUNTIES and other units of local government in the area embraced by the TVA are facing increasingly difficult fiscal problems. Blame has been placed on the doorsteps of the state and federal governments because of inaction in replacing tax revenue lost as the result of public acquisition of land and privately-owned public utility property. TVA officials are attempting to find an equitable solution through Congressional action, but many counties are impatient of the delay and opposed to the plans presented.

The arrangement favored by Senator Norris and TVA officials is embraced in a bill introduced in the first session of the 76th Congress (H. R. 7424). In part due to its late introduction (July 31, 1939) the bill did not receive general consideration. The bill pending provides that the TVA increase payments made to the states in lieu of all state, county, and local taxes. The payments are to constitute a charge against the power operations. They begin at 10 per cent of gross proceeds derived from power sales for 1940, but they decrease one-half of one per cent each year (as total gross proceeds increase) until they reach 5 per cent for 1948 and every year thereafter. The payments are to be allocated among the states one-half on the basis of gross proceeds from power sales and one-half on the basis of book value of property devoted to power. The minimum payment to any state is either the average state and local tax revenue previously received from the power property purchased by the TVA and from land devoted to power use or the fixed sum of $10,000, whichever is the larger amount. The bill declares that it is the intention of Congress that each state shall redistribute the payments to the counties and other local taxing districts affected by the TVA program.

The most vigorous opposition to the pending bill is developing in those counties containing huge dams or generating plants, for it is improbable that the states would redistribute the payments solely on the basis of property value. Until purchased by the TVA or coöperating municipalities,

public utilities located in some counties provided them with two-thirds the valuation of their tax bases. Such counties quite naturally are requesting the enactment of a federal statute that would permit states and local units to tax the property of federal "proprietary" enterprises. The state of Georgia has attempted to solve the problem by passing several statutes authorizing such levies, but the laws are generally conceded to be unconstitutional.

In spite of dire predictions that millions of dollars of bonds will be in default, that schools will close, and other services will be curtailed, there is a brighter side. The material benefits of the TVA may be less easily measured and impossible of assessment by local officials, but they are no less real. TVA officials state that reduced power rates alone save Tennessee consumers $8,000,000 annually. Improved land use, the establishment of new industries, and similar factors will increase the tax base to such an extent that they may eventually offset the present tax loss resulting from public ownership.

Cleveland Citizens Help Democracy Democ

Ohio Townships Try Cooperation
Local Forums in Detroit and Seattle

Edited by
ELWOOD N. THOMPSON

IN THESE days of trouble for democratic governments there is a tendency to blame the citizen for many of our governmental ills. A common assertion is that democracy is failing because the citizen is not interested in his government and its problems.

Citizens of Cleveland and vicinity have demonstrated recently that this charge, in its application to them, may well be questioned. They are interested in the problems of local government as shown by the fact that the total attendance at a series of nine lectures given by Cleveland city officials exceeded three thousand. This is particularly noteworthy because all nine lectures were given within a period of three and a half weeks in competition with the Thanksgiving and pre-Christmas holiday season.

Mayor Harold H. Burton gave the first lecture to a capacity audience of more than five hundred persons. He developed the thesis that the future of democracy will be determined by its performance in our large cities. Each director of the seven departments into which Cleveland's government is divided then participated in the lecture program. Some of the directors outlined the nature of the work performed by the various divisions within their departments; others dealt in greater detail with selected aspects of departmental activity. Mayor Burton concluded the series with a lecture on the major developments which may be expected in Cleveland during the next twenty-five years.

The political science department of Western Reserve University sponsored the lectures which were held on the university campus. University students attended in considerable numbers, but no university credit was given for attendance. Students of political science and prospective teachers of social studies in the local schools displayed a particular interest. Faculty members from the various schools and departments of the university also attended.

University groups, however, constituted a minority of the total audience. High school teachers brought their social studies classes. Public employees of Cleveland and neighboring governmental jurisdictions attended. The general citizenry of the community was well represented.

Why was this series of lectures given? A major factor was the recognition on the part of both city and university of the importance of an informed and intelligent citizen body. Local governments cannot hope to cope successfully with

their problems without the understanding and support of the people.

It was felt, also, that if the university became aware of the work of the city, the city of the work of the university, and the public of the work of both, the need for a training program for administrative positions might gain greater recognition. The belief that any citizen is qualified for the public service is all too prevalent. Governments and universities should coöperate in an attempt to make available a properly trained personnel for the public service.

Participation by the Mayor and his department heads in the lecture program represents an additional step forward in promoting coöperation between the city of Cleveland and Western Reserve University. Among earlier developments may be mentioned the arrangement whereby some of the better senior students are assigned to city departments to gain actual experience in the problems of government. Compensation takes the form of university credit and the experience gained.

The lectures followed these themes:

(1) New Frontiers of Democracy in the Modern City, Mayor Harold H. Burton; (2) Guarding the City's Health and Welfare, Fred W. Ramsey, Director of Health and Welfare; (3) The Park Department—Airport, Parks, Recreation, and other Duties, Hugo E. Varga, Director of Parks and Public Property; (4) The City's Legal Problems, Henry S. Brainard, Director of Law; (5) Recent Trends in Police Methods and Administration, Eliot S. Ness, Director of Public Safety; (6) Financing the Program of Community Services, G. A. Gesell, Director of Finance; (7) Supplying the City with Pure Water and Light, Frank O. Wallene, Director of Public Utilities; (8) Activities of the Department of Public Service, Miles E. Evans, Director of Public Service; (9) The City of the Future, Mayor Harold H. Burton.

Christian L. Larsen
Western Reserve University

Detroit Supports Local Government Forum

To provide a forum in which public officials, taxpayers, and other interested citizens may discuss current governmental and social problems of the Detroit metropolitan area, Wayne University and the Detroit Bureau of Governmental Research are jointly sponsoring a series of one-day conferences on various phases of governmental activity.

About two hundred persons attended the first conference, held December 1, 1939, at which governmental accounting problems were considered. Lloyd Morey of the University of Illinois discussed "Citizen Interest in Financial Operations." Other topics, including technical accounting and auditing problems, were discussed by city, county, and state financial officers, and members of the staffs of the Detroit Bureau of Governmental Research and the university's accounting department.

Juvenile delinquency is to be the subject of a conference scheduled for the latter part of January. Other meetings will be held each month throughout the spring.

Laurence Michelmore
Wayne University, Detroit

Ohio's Experiment in City-Township Cooperation

Northwestern Ohio's unique experiment in rural community coöperation is now attracting national attention in popular magazines and among good government groups. This simple, original, and practical plan has grown out of the common needs of a typical rural community and has been developed by the rural people themselves, as reported earlier in the Review.[1]

Since that report Ohio has for the first time granted townships the privilege of purchasing fire equipment coöperatively with cities—a direct outgrowth of our local

[1]See also National Municipal Review for October 1938, p. 510.

experiment which can be adapted to almost any similar community.

Not only the rural areas, but the cities as well, benefit from the idea because it extends a city's contacts with its trade areas and develops coöperation between city and township government.

As readers of the REVIEW may recall, the plan began to take form five years ago with the organization of the Flat Rock Public Committee which wanted to get adequate fire protection for the village of Flat Rock. Twelve committee members were elected for one year. The fire protection project went through and the committee started other public projects which the village had needed for years.

Public library service was one objective but the village could not handle it alone so it seemed logical to form a public service organization for the entire township to get a library and other necessary public services. The Township Council, composed of the heads of the leading civic, economic, and governmental groups, put across the public library, launched a general program of community development, and then went after fire protection for the entire township.

The committee discovered, however, that modern fire apparatus, especially designed for rural fires, would cost more than one township could afford. The idea then was advanced that if the three surrounding townships could get together with the city of Bellevue an $8,000 engine could be purchased and operated coöperatively, giving really adequate protection.

The trustees of the four surrounding townships were induced to meet with the city council to make a coöperative contract. But they soon discovered that under the laws of Ohio it was illegal for cities and townships to purchase fire equipment coöperatively. A Township Council in each of the four townships was organized to meet this situation. An executive committee from each was fused into a Four-Township Council to consider public projects of mutual interest.

Naturally the fire protection project was its first job, and one of the members was placed in charge to see it through. After weeks of effort, this man, Mr. Joseph Lawler, succeeded in winning approval of a state law, signed by Governor Bricker on May 5 of this year. The new law authorizes cities and townships to purchase fire equipment coöperatively and thus solves a great need for our own and other communities in the state, especially because of the thousands of city people who are building their homes in the rural districts.

Quite a number of other public projects of similar nature have also been handled successfully in coöperation with city governmental and service groups. If some project arises of interest to the trade area, the city men simply telephone the president of the Trade-Area Council and he has a permanent organization ready to take advantage of the opportunity.

If such an organization succeeds in a trade area of a city would it not be practical on a county basis? The president of each Township Council, forming an executive committee for the county, would give a definite, practical contact for the many opportunities available for rural communities.

C. S. HUNSINGER, *President*
The Four-Township Council

Citizens Active in Washington State

Citizens' movements throughout the state continue active, with the Washington State Taxpayers Association bulletin going to some 40,000 voters. An effective local organization for good government in Spokane County is reported; and the Municipal League of Seattle is strengthening its work in Kings County.

The Seattle League is getting the best support in its twenty-nine-year history. It has concluded one forum series and is planning a second. About 1,000 copies

of its weekly news are distributed regularly with 100,000 passed out from door to door just before elections. The people interested in good government recognize some practical danger in combining research and active fact dissemination in one organization but believe their program is sound because the league has a reputation among the citizens for never abusing its privileges.

1939 in Review

New Year Finds Many Cities in Financial Situations Comparable to 1930

Edited by
WADE S. SMITH

IT IS always interesting to speculate about the results of a year just closed, especially when that year is also the end of a decade as critical in the financial affairs of local governments as 1930-39 has been. Municipal finance, however, is no simple thing, and an analysis of municipal finance trends for the past decade presents an almost monumental task, impossible at this writing in mid-December. Hence, what follows is purely speculative—but it is speculation limited to observations which the writer believes have a good chance of being confirmed when accurate analysis becomes possible.

Turning to the year 1939 first, it seems likely that final figures will show: that the improving trend of current tax collections evident since 1934 continued during 1939; that, except for a few isolated instances where special circumstances control, the position of local current accounts was better at the year-end than it was at the beginning; that more cities, counties, school districts, and other special districts, showed a net reduction in their tax-supported funded debt during the year than showed a net increase; that fewer local units authorized long-term borrowing during the year than authorized it during 1938, and that the amount of such borrowing as was authorized was smaller; that local expenditures for social security began to level off in those units where they had been rising most rapidly; and finally, that there was less fiscal legislation of a dubious nature enacted into law than in any other recent year.

Such observations on 1939 are to be chalked up as favorable. Less favorable is the probability that full-year data will show: that a minority of cities, counties, and other local units continued to spend for current purposes more than they received in current income; that little progress was made in easing the position of localities hard pressed because of restrictive over-all tax rate limits; that refunding of bonded indebtedness as an expedient to lower the tax rate continued to be the policy of an unfortunately large number of local units fully able economically to avoid this expensive luxury; that a very few local units continued to borrow heavily for capital purposes despite important indications internally that the time for an easing up on this type of operation had arrived; that an equitable and satisfactory scheme for financing social security and relief costs continued lacking in the majority of situations, and that in a few states the situation even as a short-term proposition was becoming more and more critical; that the "average" city probably still has a long way to go before it will be using even a majority of the mechanical and administrative aids now available for the performance of a sound and workmanlike job of financial control.

For the decade 1930-39, the outlines must necessarily be broader. Certain trends of a major type are already evident, however: that local units are turning increasingly to the state for financial aid for a variety of purposes in addition to highways, education, welfare, and social security; that the states are increasingly dependent upon the federal government;

that state control of local finance, either advisory or absolute, is extending farther and farther afield from the mere prescription of accounting and auditing methods with which it frequently began; that the period has seen the extensive development, not only of revenue bond financing, but also of the special governmental authority (the specially created independent government entity established to meet unusual circumstances or circumvent restrictions), for which the revenue bond often seems especially appropriate; that the legislative trend has been to restrict local revenues, through such devices as over-all tax rate limitation, homestead exemption, and state expropriation of revenues formerly exclusively available locally, while at the same time extending municipal financial responsibility as most conspicuously in the fixing of local shares for relief and social security costs; that, since 1939 has seen the abrogation by the courts of the long-honored principal of the exemption of governmental salaries from personal income taxes, it is not unlikely that the decade has seen the beginning of the end of immunity from income taxation of governmental bonds.

Finally, there is one conclusion presented by the last ten years with which few will probably quarrel: that the past decade has seen the development of an interest in local government and local finance which transcends any evident during the lives of men now living, and perhaps during the history of our country. This interest may be said to have reached its peak in the tax strikes of the early 1930's. Often it was, and still is, captured and directed for questionable purposes by selfish groups seeking to enhance their own special interests. Often, even when most sincerely and honestly directed, it is an interest which has been all too narrow and without even the elementary knowledge of municipal finance which would make it effective. At best, it has been an interest which has placed the finances of many communities on a basis which will endure for many years. And even at worst, it has resulted in the compilation of a great mass of more or less reliable statistics relating to dozens of local fiscal problems, none of which is wholly without meaning to the careful citizen.

New Municipal Financing Under That of 1938

Figures compiled by the *Daily Bond Buyer* on municipal bond sales and bond authorizations through the end of November indicate that new municipal financing for 1939 will be lower than the $1,229,000,000 total of 1938.

Total long-term municipal financing for the first eleven months of 1939 was $991,000,000. For the same period in 1938 the total was $844,000,000. The increase this year, however, occurred during the early months, when bonds authorized during the last four months of 1938 in connection with federal works projects were coming on the market. November 1939 sales were just under $87,000,000, whereas November 1938 sales had been nearly $170,000,000. Sales in December this year will be well under last year's figure.

Bonds authorized during the first eleven months of 1939 aggregated slightly less than $98,000,000 as contrasted with just over $285,000,000 for the first eleven months of 1938. Total 1938 authorizations were $307,000,000. In 1937 authorizations were $159,000,000 and in 1936, $177,000,000. December is usually a month when authorizations are small, although issues totaling nearly $22,000,000 were approved in December 1938, because of the need of municipalities to match federal grants on projects which had to be under way by January 1, 1939, and the 1939 total will probably run below that of any of the preceding three years.

Philadelphia Again Seeks Income Levy

The city of Philadelphia, which a year ago considered an occupation tax as an aid to budget-balancing, adopted early in

December a municipal income tax of 1.5 per cent to secure the $17,000,000 needed to make 1940 revenues meet anticipated expenditures. The 1939 occupation tax was nullified, and it is probable that both political and legal attacks of a strong nature will be made on the proposed income levy.

The city's current account prospects for 1940 are just about as poor as they were for 1939, despite the fact that during 1939 the city pledged municipal gas plant rentals (the city-owned plant is leased to a private company) for a period of eighteen years in return for a $41,000,000 loan to take up past-due obligations and balance 1939 operations. Even with the loan, however, the city faced a prospective deficit of around $4,000,000 for 1939.

New York Mayor Urges Federal Taxation

Speaking before a convention sponsored by the Illinois Tax Commission in Chicago on December 13, New York's Mayor F. H. LaGuardia is reported to have urged a uniform system of local taxation administered by the federal government.

Taking the income tax as an example, the Mayor urged that a single levy at uniform rates be collected by the federal government, with the receipts allocated back to the several states. Systematizing of the tax base and greater economy and efficiency in tax administration were cited as possible benefits from the proposal.

Somewhat similar proposals seeking to inject the federal government into the local tax picture have been made from time to time in the past, and have raised objections—especially from the exponents of municipal home rule, of whom Mayor LaGuardia has in the past been one—that such decentralization of local financial control might completely eliminate local control of local government. Nothing appears to have been said at the Chicago convention along this line, the emphasis being placed by the Mayor on the need for additional revenues to support relief and other recently acquired local functions for which present local revenues are often inadequate.

Kentucky Exchange of Tax Information Upheld

It was reported in the June National Municipal Review (p. 447 f.) that the Court of Appeals of Kentucky had sustained the right of the Kentucky Department of Revenue to interchange cigarette tax data with other states, even though the private affairs of an individual taxpayer be disclosed thereby. The United States Supreme Court has recently denied *certiorari* without an opinion, and so of course the federal questions may be regarded as non-existent or not now sufficiently urgent to justify attention from the highest tribunal.

James W. Martin
University of Kentucky

Five P. R. Elections[1]

A Good Start in Yonkers
Cincinnati True to Form
Toledo, Hamilton, Boulder Ballot

Edited by
GEORGE H. HALLETT, JR.

The industrial city of Yonkers, which lies just to the north of New York City on the Hudson River, elected its city council by P. R. for the first time on November 7. The result was hailed by most observers with enthusiasm and with high hopes that the new representative council and the city manager chosen by it will be able to lift the city out of the financial and political difficulties with which it has long been beset.

[1]Six American cities elected their city councils by proportional representation on November 7. The New York City election was described in this department last month.

"Yonkers has made splendid choices for council," said the *Yonkers Herald-Statesman* editorially, "reflecting extraordinary intelligence in picking from a tremendously large field."

There were thirty-one candidates, of whom five were elected. The first two were independents endorsed by the City Manager League which had led the successful fight for the new charter—Robert H. Goodwillie, executive of the large local works of the Otis Elevator Company, and Mrs. Edith P. Welty, a leader in the local League of Women Voters and in the educational campaign which led to the adoption of the manager plan and P. R. With them were elected two of the Democratic ticket—James A. Sullivan, minority leader in the outgoing common council, and Dennis A. Cooper, a retired police captain; and one endorsed by the Republicans—John J. Condon, railroad accountant and cousin of State Senator William F. Condon.

Each of the five received the full quota of 10,000, which was fixed in the charter in advance as in New York City instead of being calculated from the vote cast to elect a predetermined number of members. Since there were 57,981 valid ballots in all, this meant that 86 per cent of those who cast valid ballots helped elect someone for whom they voted.

The invalid vote was remarkably low—1,357 or 2.3 per cent of those who marked their ballots at all. Only 241 ballots were blank. The size of the vote was phenomenal for a city whose total population is only in the neighborhood of 150,000 (134,646 in the 1930 census) and which had no contests for other prominent offices.

This record of intelligent participation was doubtless due to the carefully planned and intensive educational work done by the *Herald-Statesman,* the organizations supporting the candidates, and the candidates themselves.

Three Groups Fairly Treated

The City Manager League presented a ticket of eight, which polled a total of 19,813 first choices, just short of two quotas. The Democratic organization, which has controlled the city administration (though not always the common council) for a number of years, concentrated on four candidates, who polled a total of 17,946 first choices, again a little short of two quotas. The Republican organization, which had a majority in the outgoing council, also presented four candidates and polled a total of 10,931 first choices, just over one quota, a great many Republicans supporting the City Manager League ticket instead. Then there were sixteen other candidates, who, with a few "write-ins," polled 9,291 first choices. As expected, a great many of these transferred to the three major tickets as the low candidates were eliminated, since the miscellaneous candidates were not a unified group with similar interests and appeals.

These first-choice totals made it practically sure from the first that the City Manager League would elect two, the Democrats two, and the Republicans one, even though the Democrats had three among the first five on first-choice standing and the Republicans none. The only real question was as to which particular Democrats and Republicans would be elected. There was no change in the Democratic order, though former Assemblyman Arthur J. Doran gained on Mr. Cooper during the transfers. In the Republican contest Mr. Condon, starting in seventh place, gradually overtook Albert L. Fiorillo, president of the outgoing council, and went ahead to win by 310 votes. Mr. Fiorillo was the "runner-up."

Majority Rule through Minority Representation

The 2-2-1 division of the new council is obviously the fairest interpretation of the votes as cast. No one of the three major groups had a majority by itself and no one of them will be in a position to impose its will without consulting the others. Whenever any three members—enough to carry a vote in the council—do

agree, however, they will represent a clear majority of the voters. Thus the fundamental democratic principles of majority rule and minority representation are both given effect. Under any other system of election such a result would have been highly improbable.

In view of the fact that opponents of P. R. in nearby White Plains and New Rochelle based much of their successful campaigns to block the adoption of P. R. in their cities this fall on the fear that it would help the Communists, it is interesting to note that the one Communist party candidate in Yonkers polled only 175 first-choice votes. In view of the industrial character of the city it would be natural to expect more Communist votes there than in either White Plains or New Rochelle. No known Communist has ever been elected in the fifty-three P. R. council elections so far held in American municipalities.

The American Labor party did much better, but still fell far short of a quota. Its leading candidate, Rev. Ver Lynn Sprague, went out on the eighteenth count with 2,091 votes. A majority of his votes transferred to the City Manager League ticket and so received representation.

The count was accurately conducted under the general supervision of City Clerk Francis J. Heafy, with Edwin J. Goodhart and Bernard A. Koch as Democratic and Republican directors and the editor of this department as consultant in actual charge. Because the one hundred canvassers, who otherwise did a good job, were being paid by the day instead of a lump sum, the count consumed six seven-hour days, which was at least two days longer than necessary.

The total cost of using P. R., including the printing of ballots, the wages of extra poll clerks and central counters, the rental of the armory for the count, and the cost of ballot boxes and permanent counting equipment, was just under $14,000, or less than ten cents for each resident of the city. If it had not been necessary to continue primaries for other purposes, there would have been an actual saving, since P. R. eliminates primaries for all offices for which it is used.

Political Leaders Opposed to P. R.

After the count was over the canvassers held a dinner dance at which four of the councilmen-elect and others made brief addresses. The local leaders of the two major political organizations took the occasion to declare against proportional representation. This was made the subject of a vigorous editorial in the *Herald-Statesman* for November 30, entitled "P.R. Works Too Well to Suit the Politicians."

"It is no secret," said the editorial, "that machine politics throughout Yonkers, throughout Westchester (County), and throughout New York State stands in mortal fear of P. R. as a system of voting.

"For machine politics and P. R. don't mix.

"This is so, largely, because P. R., when intelligently exercised, defeats the wishes of politicians and carries out instead the certified wishes of the electorate. . . .

"Yonkers voters have been able to exercise their rights at the polls on a nonpartisan basis, to discover the delights of having your vote count for second, third, and other choices if your first choice has been elected or defeated. . . .

"In other words, Yonkers voters can be altogether too smart and too sensible—under P. R.—to suit machine politics. . . .

"A fight is brewing, and the voters must be keenly alive to the issue.

"For P. R. is well worth fighting for, if Yonkers is to keep climbing out of its morass and onto the plateau of good and decent government."

The City Manager League has served notice that it will fight any attempt to abolish P. R.

First City Manager Chosen

The first and most important task of the new council was the choice of the city's first manager. The members went about their choice systematically and after con-

sidering the qualifications of over fifty applicants made a unanimous choice. The first city manager of Yonkers, at a salary of $12,000, is Raymond J. Whitney, who has been village manager most of the time since 1931 of the important nearby village of Mamaroneck. He was chosen largely because of his achievements in reducing the bonded debt of Mamaroneck from $4,500,000 to $3,250,000 and reducing the current expenses of the village by 40 per cent.

Mr. Condon was elected mayor, to act as ceremonial head of the city and president of the council without administrative duties. The vote was three to two, the two independent members voting for Mr. Goodwillie.

The Machine Balked Again in Cincinnati

The eighth biennial P. R. election in Cincinnati again showed how essential is this system for the retention there of good government. For the third successive time, the council is four "Charter," four "Republican Organization," and one "Independent." "Charter" means the same group which originated the manager-P. R. form in 1925 and helped maintain it ever since. "Republican Organization" means the same machine which opposed the introduction of this plan and which has been attempting, unsuccessfully, ever since to re-capture the City Hall for patronage and spoils. "Independent" means Rev. Herbert F. Bigelow, a radical, who was elected four years ago and who succeeded two years ago in electing his candidate, Craig, as the independent. Happily, Craig failed of election this time. At the very outset of his term, he had made a deal with the Republican machine to cast the deciding vote for one of them, Stewart, for mayor in exchange for Stewart appointing a labor man desired by Craig as Civil Service Commissioner, and for other political considerations. Thereafter Craig was, during the whole two years, in the camp of the Republican machine. Bigelow did not conspire with the Republican machine when he was formerly in council and is not likely to do so. Hence, the 4-4-1 situation seems to be an improvement over that of two years ago.

All of the present four Charter councilmen and three of the Republican machine councilmen were re-elected. The fourth Republican gained wide acquaintance as president, for a number of years, of the Holy Name Society. The Negro Republican councilman was not renominated. The Organization Negro candidate, Rev. David Turpeau, received 8065 first choice votes and was ninth on the first count but he had only 10,909 votes on the twenty-second count, the last before he was eliminated on the final count.

As usual, the counting extended over seven days. On the twenty-second transfer, the Republicans had 47.5 per cent, the Charter 40 per cent, and Bigelow 8.9 per cent, the quota sufficient to elect a candidate being one vote more than 10 per cent. The last 7.5 per cent in the Republican column represented Turpeau's vote, which was eliminated on the next count, since Turpeau was the low man. The quota was 14,632 and Bigelow was declared elected with 14,233 votes, 399 short of the quota.[1]

If the election had not been by P. R., but by ordinary voting, the machine would almost certainly have elected a majority of the council because at the first count the vote stood:

Republican	72,238
Charter	50,153
Others	23,873

In other words, 74,026 did not want the Republican machine to control and 72,238 apparently did want it.

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[1]This was the first time in Cincinnati's eight P. R. elections that any of the elected candidates has failed to reach the full quota. Accordingly, 89.7 per cent of those who cast valid ballots helped elect candidates for whom they voted instead of the usual 90 per cent.—Editor.

The Charter group was under the usual handicaps. It had no representation among the official election officers and, in the counting, only such as was vouchsafed to it by the Democratic organization. The Republican machine had been strengthened by patronage from the state (automobile license registrars, highway division, liquor store salesmen, etc.); by the county machine employees in the offices of auditor, sheriff, prosecutor; and by numerous recipients of illicit favors from officers not under the city government, the support of the afternoon Republican *Times-Star* which strongly endorsed six Republican machine candidates; the groundless but oft repeated assertion in this predominantly Republican community that it was necessary to vote the straight Republican machine locally to beat Roosevelt in 1940; and other hindrances to good government which cannot be detailed in this short account of the election.

The Charter list of candidates was as good as the best. The Charter movement showed vitality with Harry R. Drackett, a successful Republican businessman of high character, as leader, and with good organization, enthusiasm, and unselfish effort of countless citizens, especially in the women's division.

Election day, in Ohio, is a half holiday beginning with noon. Until then, everyone at the City Hall, thanks to the Charter administration, was attending to his job there. The County Court House, on the other hand, to the extent that it is under machine control, was practically deserted, with machine officeholders working half of the time at the polls on the public's time and money, often in violation of civil service prohibitions.

By virtue of P. R. and the good sense and patriotic effort of its citizens, Cincinnati added to its record in the achievement of continuous good government so that the duration thereof will be for at least sixteen years.

MURRAY SEASONGOOD

A Heavy Vote in Toledo

Toledo's third election under its manager-P. R. charter resulted in the largest turnout of the electorate in the history of local elections. There were 86,900 ballots cast, compared with a total of 61,817 in the 1937 election and 69,205 in the 1935 election.

Counting of the ballots required six days and a total of twenty-six transfers. The result showed four candidates endorsed by the City Manager League elected and five so-called independents. The race was extremely close at the finish, with four League-endorsed candidates being the last eliminated. The final transfer eliminated a League candidate and elected an independent.

It is believed that the Bigelow pension amendments to the state constitution, which were opposed by a variety of interests and were overwhelmingly defeated, and an intensive campaign for a local school levy, which also was badly beaten, were largely responsible for the heavy vote. These factors undoubtedly played a large part, but the fact that there were forty-one candidates for council, at least half of whom made fairly strong races, undoubtedly contributed materially to the large total vote.

While the size of the vote was encouraging from the standpoint of increased citizen interest in local elections, the fact that the percentage of invalid ballots was higher than in the first proportional election, and the further fact that only four League-endorsed candidates were successful despite an intensive campaign, whereas the City Manager League had elected a majority of the nine-man council in each of the preceding contests, have led to the conclusion that increased educational activity on the part of the League between elections is absolutely essential.

A total of 5,080 ballots out of 86,900 were invalid—5.84 per cent of the total vote and more than 2 per cent higher than that for the city's first P. R. election. In the 1935 election, the first in Toledo under P. R., 2,622 ballots, or 3.78 per cent, were

invalid out of a total of 69,205. In 1937, there were 3,657 invalid ballots out of a total vote of 61,817.

It should be pointed out, however, that the 1935 councilmanic election followed more than a year of intensive educational activity which saw the adoption of the new charter and the defeat, at a special election, of an attempt to abolish P. R. before it had ever been used. Thus the citizenry, by November 1935, had been actively educated to the proper use of a P. R. ballot.

For the first time in Toledo P. R. elections, the number of exhausted ballots was so great that two candidates were elected without receiving the necessary quota, 8,183 votes. At the end of the twenty-sixth and last transfer of ballots, 9,456 ballots in all had become exhausted. Although many voters had marked their ballots for ten or more candidates—some even going as high as the entire forty-one—it is believed the unusually high number of exhausted ballots can be attributed mainly to the failure of most voters to mark their ballots for at least nine candidates.[1]

Two candidates were elected on first-choice votes, as compared with four in 1937 and one in 1935. Councilman Addison Q. Thacher led the race with 10,400 first-choice votes, while Vice Mayor John Q. Carey was second with 9,200 first choices.

Councilman Thacher, a former mayor and former county commissioner, was endorsed by the City Manager League in 1937, but not in 1939, and campaigned actively as an opponent of the League's program and policies. Vice Mayor Carey had the League's endorsement for the third time, as did Councilman Consaul. Mr. Roulet and Mr. Kelly were the other two successful League candidates. Councilmen Czelusta and Hoover received League endorsement in 1937, but not in 1939.

No candidate of organized labor was successful. The C. I. O. had endorsed a slate of five of its own members who were candidates, but the last man to be eliminated received a cumulative total of only 3,447 votes. On the other hand, Arthur M. Jurrus, an A. F. of L. leader endorsed by the City Manager League, stayed in the race until the twenty-third transfer and received a cumulative total of 4,402. It is apparent that harmony of action between the two labor groups, which are of almost equal strength in Toledo, would have elected at least one labor candidate. Most of the new council members are friendly to labor, but there is none who was elected as a labor candidate.

Another interesting phase of the election

[1]The failure to fill up the last two quotas on the last transfer was not a cause for criticism or surprise, since the candidate whose ballots were being transferred was a City Manager League candidate and all the remaining League candidates did complete their quotas before the count was over. On the previous three transfers, all from City Manager League candidates, however, 2,618 ballots became exhausted while other League candidates were still in the running. If only 300 of these had been marked for Mr. Huntsman, the last League candidate defeated, he would have been elected and the League would once again have elected a majority of the council.

It would not be fair, however, to assume that these voters whose ballots became exhausted actually wished to support the City Manager League ticket as a whole merely because they had voted for particular League candidates; or to assume without further evidence that the League ticket won less than its proper share of the council because of the failure of many of its supporters to mark enough choices. The first choices for all nine of the League candidates totaled 33,326, which was only 594 more than four quotas.

The exhausted ballots did not reduce by much the proportion of ballots that helped to elect candidates for whom the voters had voted. At each previous P. R. election 90 per cent of the valid ballots had been effective in the election of a candidate. At this election the percentage was 88. Of course that is a much higher percentage than is ever effective under other methods of election, and, since even with the increase in invalidity the total valid vote was heavier than usual, Toledo has once more secured satisfactory representation for many more of its voters than would have been secured under any plan other than P. R.

—Editor

result is that four of the nine successful candidates live in one ward, within a few blocks of each other. It must be pointed out, however, that one of the four was elected almost entirely by votes from two other wards than his own, and none of the four was elected because of his particular sectional strength. One has a large business and fraternal following throughout the city; another is a former county commissioner and has been well known in local politics for some years; still another is a real estate operator who campaigned largely on an economy platform. The mere fact that the four do live in one ward, however, plus two other circumstances, have aroused considerable dissatisfaction and may lead to some move for a change in the system of voting.

The other two factors are that the large and sectionally-conscious district of East Toledo will have only one councilman in 1940-1941, after having had two in 1938-1939, and South Toledo, which had no councilman in 1938-1939, and from which there were eight candidates in this election, will continue without district representation.

R. P. Overmyer
Toledo City Manager League

A Spirited Contest in Hamilton

The seventh biennial P. R. contest in Hamilton, Ohio, brought out the largest city council vote ever recorded. The total valid vote was 15,989, nearly a third of the total population; invalid, 581, or 3.5 per cent of the total marked; blank, 158. Eighty-six per cent of those who cast valid ballots helped elect candidates for whom they voted and 62 per cent helped elect their very first choices.

The issues were very mixed at this election and the cross-currents were reflected in the transfers, which were less predictable than usual.

For the first five P. R. elections the big issue had been the simple one of non-partisan efficiency and service in government, and on that issue the Charter Commission group which presented and carried the P. R.-manager charter in 1926 had elected a majority of the council in every election, mounting finally to six out of seven. But in 1937 the Charter group decided to make an issue of eliminating the slot machine racket, which it feared threatened the integrity of an otherwise excellent city administration. On this issue some of the Charter councilmen were dropped from the ticket, but ran and were elected anyway. The rank and file of the voters refused to get excited over slot machines and the Charter group lost its control of the council for the first time, though five of the seven chosen had been elected originally with its endorsement.

This year it was decided to broaden the scope of the Charter group. A Charter League was organized with new leadership, though retaining the help of the old. The slot machine question was not mentioned in its program and original Charter councilmen who had been dropped from the ticket on that issue the time before were re-included on the slate of seven presented. Two of the new Charter League candidates, however, Frank Vaughn, chairman of the original charter commission, and William Beckett, treasurer of the Beckett Paper Company, raised the slot machine issue in their personal campaigns and it became the most discussed issue again.

Those who were in favor of continued non-enforcement of the state ban on slot-machines joined with others in a Present Council Club, which recommended re-election of the entire council on the basis of the city's general record of good government. Three of the candidates were on both tickets. There were also five unattached independents, including two former councilmen, making sixteen candidates in all.

The Charter League polled 44 per cent of the first-choice votes and elected 43 per cent of the members, three out of seven. It gained nearly enough from the independents on transfers, however, to elect four out of seven and would have done so

if Vaughn, the last Charter candidate defeated, had received as many votes on the transfer of the last defeated Charter candidate's ballots as did Councilman Edward F. Warndorf, who was not a Charter candidate this time though originally elected as such. Warndorf won out by 34 votes in what was perhaps the most exciting finish in the history of Hamilton P. R. elections.

Though they lost Vaughn, the minority who are impressed with the dangers of protected slot machines did elect Beckett, and it is expected that their views will be ably championed in council during the next two years. Without P. R. it is doubtful whether anyone with this viewpoint would have been elected.

The only change in the council was the election of Beckett instead of Councilman Benninghofen, one executive of a large manufacturing concern on the Charter ticket in place of another. Since the first P. R. election in 1927 there has always been at least one change each time but never more than three, bearing out the contention that P. R. can be counted on to furnish sufficient continuity of personnel without the device of overlapping terms. Three of the re-elected councilmen have served continuously since P. R. was first used.

The count was efficiently conducted in one long day of sixteen and one quarter working hours under the direction of Harold E. Moser, a local accountant who had assisted in all of the six previous counts. The space reserved for spectators in the Elks' Auditorium was crowded to capacity, especially at the neck-and-neck finish for control of the council about four o'clock in the morning.

Boulder's Twelfth P. R. Election

In a quiet election with a light vote the little city of Boulder, seat of the University of Colorado, elected councilmen by P. R. for the twelfth time on November 7. Three members are elected every second year for a six-year-term.

The total vote this year was 1,725, of which only 40, or 2.3 per cent, were invalid.

The successful candidates were J. Perry Bartlett, retail clothier and president of the Junior Chamber of Commerce, a new member of council; A. Dean Coleman, filling station operator and representative in the state legislature, re-elected to the council; and William T. Hollen, a businessman with active support from the business community, a new member.

Frederick D. Bramhall, professor of political science at the University of Colorado, was nosed out by eight votes after running in third place on the count of first choices. He had been elected six years ago by the minority favoring public ownership of utilities, which was not active this year, while employees and friends of the Public Service Company worked hard for other candidates. Mayor H. H. Heuston, the other member of the council whose term expired, did not run again. There were only six candidates in all.

Although the small number elected each time cuts down the scope of representation, 73 per cent of those who cast valid ballots were able to help elect councilmen for whom they voted.

LEAGUE'S BUSINESS

(Continued from Page 2)

ciated Press, preparing interpretative features on the operation of the federal government.

Arrangements are in process of being made with the Payne Fund for **S. Howard Evans** to spend a large part of his time during 1940 working on an experimental field program for the National Municipal League. Mr. Evans was in charge of the extensive program carried on by the League's Special Committee on the New York State Constitution during 1938.

In May 1939 your secretary was appointed a member of the New York State Civil Service Commission by Governor Lehman. At that time he recommended to the executive committee that his salary be cut in half in view of the assumption

of new duties, and that an additional staff member be employed to take over part of his work. This was done and the arrangement approved by a mail ballot of the council. At the same time, your secretary also resigned his professorship at Columbia University.

New Publications

In addition to promotional material, fifteen new books and pamphlets have been brought out during the year or are scheduled for publication shortly thereafter.

Fiscal Program for Municipalities. A distinguished committee has been at work on this program for the past two years. As a result, there is scheduled for publication early this year three important units in the League's program: a Model Bond Law, a Model Accrual Budget Law, and a Model Cash Basis Budget Law. Those laws contain much material based on experience gained during the depression in the design of new controls over local expenditure.

Model City Charter. The Model City Charter, now on the press and scheduled for publication early in the year, has been completely revised and rewritten. Not only has advantage been taken of depression experience to include many new ideas, but presentation has been substantially altered. The new edition has been designed to present the minimum essential principles that should be included in a city charter. Amplification of provisions for the convenience of cities wishing more detailed suggestions are included in the appendix.

Of the eleven new books and pamphlets published by the League during 1939, three were revisions of publications of other years; the rest were new. They covered a wide topical field.

Democracy Must Think (65 pp., cloth bound, $1.00) was published for the League by the Columbia University Press. It is a transcript of the proceedings of one of the most fruitful sessions of the 1938 Conference on Government—the round table on public opinion. Wide newspaper notice was given the book, although the session had already been well publicized at the time of the annual conference.

The Direct Tax Burden on Low Income Groups (31 pp., paper bound, 35 cents), by J. M. Leonard of the Detroit Bureau of Governmental Research, was so popular that it went very soon after publication into a second printing. The startling fact that the average four-member family of $2500 income pays as much as one month's income in direct taxes to state and local governments alone provoked much discussion in the press.

Even before it was published, the *Model State Civil Service Law* (36 pp., paper bound, 50 cents) had been used as a pattern by three states which adopted new merit system legislation. The law was the work of a joint committee composed of representatives of the National Civil Service Reform League and the National Municipal League, with the Civil Service Assembly of the United States and Canada coöperating.

Forms of Municipal Government (20 pp., paper bound, 25 cents) answered a long felt need, reflected by a steady flow of letters of inquiry to the League office, for a simple, intelligent, brief discussion of forms of municipal government and experience with their workings. This publication has had a steady sale ever since its appearance, and numerous enthusiastic letters from League members have attested to its usefulness.

Rent Control in War and Peace (124 pp., paper bound, 50 cents), by Edith B. Drellich and Andrée Emery, is a research study on housing shortage and rent control legislation in the World War and post-war periods, both here and abroad, and an analysis of the present-day prospect of housing shortage with recommendations to guide future rent control legislation. The League agreed to publish the report prepared for the Laws and Administration Committee of the Citizens Housing Coun-

cil of New York, not only because it constituted the first complete work on an important subject, but also because the subject of rent control may become a live governmental issue in the near future.

State Supervision of Local Budgeting (134 pp., paper bound, price $1), by Wylie Kilpatrick of the University of North Carolina, deals with an important problem closely related to the subject matter before the League's committee on fiscal program. The monograph constitutes the essence of years of research by Dr. Kilpatrick and represents a pioneer contribution to a field whose importance has become overwhelming since bitter depression experiences in municipal finance.

Answers to Your Questions on P.R. (8 pp., leaflet, 5 cents) was prepared as a companion to the League's *Answers to Your Questions on the Manager Plan.* In capsule form, it gives the vital information which the average citizen is likely to seek.

Citizens' Councils (19 pp.) and *A Program to Improve the Quality of Government by Improving the Quality of Citizenship* (7 pp.) were developed for use in the League's program for the establishment of citizens' councils. The former is a revision of a pamphlet issued several years ago when the Citizens' Council program was first introduced. The latter is a new work which emphasizes the history and functions of the League in connection with the citizens' council idea.

A Model Registration System (73 pp., paper bound, 50 cents). The 1927 report of the Committee on Election Administration was revised this year for the third time. Dr. Joseph P. Harris, secretary of the original committee, contributed much time to this work, while other members of the committee read and criticised the revised manuscript.

Best Practice under the Manager Plan (8 pp., 15 cents) was revised to give emphasis to the rôle of the citizen in supporting the manager plan after it has been adopted.

Format of Publications

All publications now issued under the League imprint have the same cover format—a two-color arrangement which is both attractive and attention-getting. Different combinations of colors are used for each publication, but appearance in other respects is standard. A special effort is being made to make each publication as appealing as possible.

During the year 50,000 copies of two of the pamphlet series on *Making Democracy Work* were distributed. Lists used were more selective than previous ones, a large proportion of the older names being removed. It is planned to issue No. 7 of the series soon as part of the plan to publicize the 500th council-manager city.

Results of League's Work

As for the effectiveness of the League's work as gauged by actual governmental improvement during the year, the following pages [see full report] must tell that story. If the manager plan be taken as an indicator, there were thirty-three campaigns for adoption of the plan during the year. Of these, fifteen succeeded and eighteen failed. The number of cities operating under the manager plan at the close of 1939 was 493.

Perhaps a better measure is the sale of League publications, since the actual purchase of materials by citizens indicates the extent of interest in the subjects with which we are dealing. The total sales for the year came to approximately 23,000, total distribution was 25,000.

Staff Activities

Many of the most important activities of the League staff are of a nature which are never publicized and which do not especially lend themselves to discussion in a formal report.

Besides voluminous correspondence with members, civic leaders, officials, and others, there are hundreds of visits and small meetings, in and out of the League office; there are big and little speeches; there are

lunches, dinners, and telephone and letter contacts with magazine writers and editors —all time-consuming, most of them highly productive from the standpoint of basic objectives.

For example, one of the country's leading magazines received a report, from a source its editors believed to be responsible, to the effect that the League is devoted to reforming municipal government solely to find jobs for its members as experts. An afternoon and an evening were spent with an investigator for this magazine to provide full acquaintance with the League's program and methods. The "exposé" was never published, of course.

A United States Congressman, defeated for re-election, came to the office looking for a sound "good local government" platform on which to rescue his city from the clutches of a powerful political machine. He was given every assistance and, at our suggestion, attended the 1938 conference at Baltimore. He went home, ran for mayor on a forward-looking, constructive platform, was elected, and immediately started carrying out his platform by reorganizing the city's government with the aid of a nationally-known administration consultant service.

Several luncheon meetings with the assistant editor of the magazine *Factory Management and Maintenance,* who wanted to show the relation between good local government and good labor relations, led to his making a study-tour of industrial cities. He wrote two excellent articles, packed with facts. His approximate conclusion is indicated by this quotation from one of his articles:

"I found that good government, usually taking the city manager form, is a fixed characteristic of 'good' towns. When a city's government is costly, debt-ridden, and corrupt, it lays a heavy burden on taxpaying industries, consumes the funds that should be available for constructive public purposes, and weakens the effectiveness of social and civic agencies. . . . Good public relations is founded on good labor relations in the plant and good citizenship in the community."

The outstanding series on municipal and county accomplishments in civic and governmental improvement, which is being published by the *Readers Digest,* began after a series of discussions between an editor of that magazine and members of the League's staff. At subsequent intervals, editors and writers of the *Digest* have continued to consult the League when in search of new leads or of specific cases with which to illustrate various types of civic accomplishment.

Another example, which may be taken as illustrative of situations which occupy the staff's attention for long periods of time before there is any evidence of accomplishment or any publicity, is the statewide effort being made in New Hampshire for local government improvement. This effort is led by the New Hampshire Federation of Taxpayers' Associations, which plans to draft alternative charters for submission to the legislature as permissive legislation for communities of various sizes. The League's staff has been working closely with officers of the Federation, both by correspondence and personal visits.

There are, of course, scores of other situations in which we have been privileged to work with leaders or potential leaders of local improvement efforts but in which everything so far has been of a purely preliminary nature.

Public Addresses—Correspondence

Many addresses were made in various parts of the country by the staff and members of the League on subjects related to the League program; and many suggestions as to qualified speakers were made by the staff to places too distant to permit of travel. The increased field staff will permit more speaking activity in the future, as well as many more contacts of an advisory nature with local civic organizations.

A vast amount of correspondence, con-

sidering the size of our staff and other limitations, is carried on by the League office. It is estimated that well over 20,000 letters, not including form letters for specific promotions, are written to members, officers of civic organizations, public officials, etc., most of them being either answers to inquiries or in quest of information needed at headquarters.

Much of this correspondence involves the supplying of information applicable to specific local situations, which necessitates more than routine attention. Some is in connection with special projects such as our survey during the past year of the so-called unofficial manager cities which have never been recognized by the International City Managers' Association.

New Headquarters

In August 1939 headquarters of the League were moved to the fourteenth floor of 299 Broadway because the building in which we had been housed was torn down as a result of construction of a new vehicular tunnel under the East River. The new space is the most satisfactory the National Municipal League has ever had from the standpoint of efficiency of office layout and adaptability for our requirements. It is hoped that officers and members of the League who have not already visited us in our new quarters will find an opportunity to do so in the near future.

Looking Forward

The coming year should be one of great activity and accomplishment. Arrangements have already been made for regional conferences early in the year in Atlanta, Dallas, and Minneapolis. Discussions have also been carried on with California members of the National Municipal League regarding plans for a regional conference there. With the additional man power now available, the reach of the National Municipal League should be widened considerably during coming months.

Respectfully submitted,
HOWARD P. JONES, *Secretary*

Books in Review

EDITED BY ELSIE S. PARKER

American Government and Politics. Eighth edition. By Charles A. Beard, with the assistance of William Beard. New York, The Macmillan Company, 1939. 814 pp. $3.75.

The eighth edition of this standard college textbook on American government and politics has been completely revised to bring it in line with current ideas and practices in this country. It has also been changed typographically from previous editions, principally by the addition of bold-faced sideheads in order to make the text more appealing to the indolent student and the overworked instructor. This change has the effect, for the general reader, of submerging the literary style and quality of the text beneath the mechanics of a skeleton outline. But then, perhaps, the general reader should not be considered when it comes to dispensing with what appears to be a requisite of all college textbooks at the moment.

The reviewer remembers when the first edition of this text appeared in 1910, which he very shortly thereafter got acquainted with in connection with a college course in history and political science. Even in those days the book carried the realistic touches concerning the workings of government which have so distinguished subsequent editions. Its chief value from the standpoint of the inquiring student, then as now, was that it never attempted to catalogue all the facts and minutiæ of government but rather sought to interpret trends and developments. This approach Dr. Beard has steadfastly preserved, although at times he has had to battle for it.

The new edition presents a well balanced treatment of American government. Its eight hundred-odd pages are about equally divided between the federal government and the state and local governments. In other words, it does not stress the growing requirements of the federal government to the detriment of the state and local governments. The fact is that in searching for the essence of our democracy the functions of the lower layers of our government assume major importance. While Dr. Beard has gone into all the important policies and organizations growing out of the New Deal, he has at the same time kept his feet planted upon the earth where the cities, counties, and towns still carry on most of the primary functions of our government.

A. E. Buck
Institute of Public Administration

Land Utilization in New Jersey — A Land Development Scheme in the New Jersey Pine Area. By Alvin T. M. Lee. New Brunswick, New Jersey Agricultural Experiment Station, 1939. 50 pp. (Issued free to residents of New Jersey on request; 15 cents to non-residents.)

This fifty-page bulletin represents the first fruit of a three-part study of the problems of land use in the New Jersey Pine Area. The Pine Area, containing about one-third of New Jersey's 4,800,000 acres, includes but little tillable land. Its limited deposits of bog iron ore and its native stands of swamp cedar and other merchantable woods were exhausted decades ago. The proximity of the area to New York City and Philadelphia, on the other hand, has given the land a specious use "as merely something to sell." The industry of promoters and the gullibility of buyers have combined to produce within it four hundred land development schemes involving "no less than 200,000 acres," and "at least 1,000,000 individuals."

Against this background, which is sketched in broad strokes in the introduction, the author proceeds to describe in detail the fantastic history of one of these

four hundred promotions—that of Paisley, The Magic City. In 1888 it consisted of 1,400 acres, acquired by the promoter at a cost of $3.67 per acre. It was converted, largely on paper, into 76 farm plots containing an aggregate of 274 acres, and 12,796 lots, 25 x 100 each. Of this total, 216 acres in farm plots and 10,001 lots were sold to 3,122 known owners. Other sales, not properly recorded, were also made. On the basis of the sales for which price data were available, the author estimates that the promoter unloaded his lands for about $375 an acre. Some of his tracts, incidentally, he seemed to have been careless enough to sell several times over, and he even sold off some of his "parks."

But that is only a part of the story which the author recites. He digests the contents of more than one hundred newspaper advertisements used in the sales campaigns. He summarizes and gives excerpts from the replies he received from seventy-two lot owners—most of them now octogenarians, some of whom still pay taxes in the hope of realizing on their "investments," few of whom ever saw the lands they own. He traces the history of each of the thirteen buildings erected on the tract, giving not only the source of financing, but the successive uses and ownerships through which they passed. Two buildings remain—one wholly unused, the other used as a club during the hunting season.

From the standpoint of readers interested primarily in problems of local government, the bulletin provides a disconcerting picture. Subdivision in the Pine Area "is continuing at a rate which would be unbelievable to anyone not acquainted with the problem"; and the fifty-eight municipalities primarily concerned are powerless to prevent it. To make matters worse, detailed tables prove conclusively that Woodland Township, in which the entire subdivision lay prior to the creation in 1901 of a new township which now includes part of the subdivision, had expended prior to that time substantially more money for the routine clerical procedures of assessment and collections with respect to the 1,400 acres involved than both townships have collected for their own purposes from the date of the subdivision down to date. As long as the lots remain on the rolls, the townships must pay state and county taxes on them whether they succeed in making collections or not. The townships have two courses open to them if they would avoid these payments to the superior governments. They can foreclose their tax liens at a cost far in excess of the resale value of the lands in question; or they can little by little drop more and more of the parcels in the subdivision off the rolls. Confronted by this dilemma—that of choosing between a legal but absurdly costly method, and an illegal but inexpensive one—the local officials are getting rid of their troubles by the easiest way.

The bulletin points out the existence of a few unused powers available to local governments for the partial control and amelioration of the existing situation, and indicates in general terms some needed improvements in legislation. The chief purpose, however, is to bring the problem itself into clear relief. "A complete understanding of these problems" it says, "is necessary before a sound long time land policy can be adopted by the people of the state of New Jersey."

The United States Department of Agriculture and the New Jersey Agricultural Experiment Station, which coöperated in the sponsorship of this bulletin, are to be commended for their venture into this field. It is to be hoped that this and the succeeding bulletins will stimulate similar studies in other states.

PHILIP H. CORNICK
Institute of Public Administration

City Management: Theory and Practice of Municipal Administration. By Henry G. Hodges. New York, F. S. Crofts and Co., 1939. 759 pp. $4.50.

This most recent addition to the bookshelf of texts on city government is a very exhaustive work of twenty-eight closely printed chapters. The author is both teacher and practical administrator, as his book reveals throughout. The writer of this review has looked forward for a long time to the day when there would be provided a text book satisfactory for college students and he experimented with this text last summer. He has also discussed the work with practical administrators and has come to the conclusion that it is useful, particularly for graduate students and as a supplementary reference volume for undergraduates.

As the title indicates, city management does not provide much material relating to the citizen's part in government; nor are the sections which deal with municipal law and other matters normally considered "municipal government" adequate. In other words, if this text were to be used in a full-year course it would have to be supplemented with another text of equal size or its use would have to be confined to advanced students.

I am inclined to accept the judgment of administrators that it is not a satisfactory reference work. However, I cannot see why men who are specialists in one field could not learn a great deal from it on fields outside their own narrow interests. I believe, too, that members of citizen groups who are more concerned about the way their government operates than is the ordinary layman will find this book useful.

I wish that about 250 pages had been torn out—a little here and a little there—and that the gentle exhortatory tone of the writing had been seasoned with a little cynicism; because it comes close to being an ideal volume for the general public—something that does not now exist.

R. V. P.

The Pressure Boys. By Kenneth G. Crawford. New York City, Julian Messner, Inc., 1939. xi, 308 pp. $3.00.

Surely lobbying exposés have reached the point of diminishing returns. In these days when exposés have become so common, before opening the covers of the book the reader knows he is going to hear about bribe money passing from the hands of one group of the "eminently respectable" into the hands of another ditto. The sole reason for reading is to find out which groups are being exposed this time.

Mr. Crawford's big wind blows lots of skirts and tears away plenty of trouser legs on the national scene. He names names in connection with utilities, foods and drugs, munitions, railroads, labor, sugar, and numbers of other issues recently or currently occupying Congress, giving each subject an indignant chapter to itself. His book is a good book of its kind, well written, intelligent, informed. As a Washington correspondent, he presumably knows what he is talking about and he seems to be reasonably free of biases except one against property interests. But the point is—so what? Mr. Crawford specifies that he is not trying to answer the question. However, perhaps it is time someone did.

M. R.

The Impasse of Democracy. A Study of the Modern Government in Action. By Ernest S. Griffith. New York, Harrison-Hilton Books Inc., 1939. 380 pp. $3.00.

This book is a discursive review of current political problems—it is repetitious, frequently superficial, occasionally profound, generously suggestive. In the main, the central theme is the relation of democracy or popular control to bureaucracy or effective administrative action. This

involves a discussion of society as an organism, the "imperatives of human nature," "technological imperatives," philosophies of state action, public opinion, leadership, legislative procedure, the place of the amateur, national economic planning, whether or not dictatorship is inevitable, the cause and cure of war, the "shape of things to come," and so on. The writing is a mixture of realistic appraisal, keen insights, platitudinous proposals, and a sort of Christian-Socialist idealism. There are certain illustrative charts and diagrams, a bibliography, and an index. In general, it may be looked upon as a popular treatment of current political problems for those who already have some knowledge of government and politics; a none too logical, inadequately organized, none too well thought out, collection of commentaries in the right spirit and looking in the right direction but least developed and least realistic on political as distinct from governmental problems.

HARVEY PINNEY

New York University

Government Publicity, Its Practice in Federal Administration. By James L. McCamy. Chicago, Illinois, University of Chicago Press, 1939. xv, 273 pp. $2.50.

". . . The material will not be used for an attack upon the publicity function in government. With most contemporary students of public administration I share the realization that work in public relations is just as essential as any other governmental function. Our job as students is to describe and analyze the publicity function just as we study objectively any other service."

This excerpt from the questionnaire letter distributed by the author of *Government Publicity* while he was gathering material is an effective description of the tone and purposes of his book. Although the work is confined to publicity of the federal government, where the art of late appears to have been highly and hastily developed, naturally much is applicable to state and local governments. Mr. McCamy has thoroughly studied the actual operation of the publicity function in the federal government and discusses it in terms of program, media, content, distribution, measurement, coördination, and personnel. His book constitutes a warm defense of government publicity as well as a guide to public and publicists alike.

M. R.

Additional Books and Reports Received[1]

American Taxes Shared and Allocated—1938. By Sidney Merlin. Chicago, American Municipal Association and the Federation of Tax Administrators, 1939. 67 pp. $1.00.

Civic Pittsburgh. A current review of the finances of the city of Pittsburgh, Board of Public Education, and County of Allegheny. By J. C. Slippy. Pittsburgh, 1939. (Apply to author.) 36 pp. Fifty cents.

Consumer Expenditures in the United States. By National Resources Committee. Washington, D. C., Superintendent of Documents, 1939. 195 pp. Fifty cents.

Educational Preparation for Public Administration. A list of colleges and universities offering courses or programs of training. By Charles S. Ascher. (Reprinted from *The Municipal Year Book, 1940.*) New York City, Committee on Public Administration, Social Science Research Council, 1940. 14 pp.

Leisure — A National Issue. Planning for the leisure of a democratic people. By Eduard C. Lindeman. New York City, Association Press, 1939. 61 pp. Fifty cents.

Municipal Insurance Cost and Practices. A summary of available data.

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[1]See also "Research Bureau Reports Received," p. 54.

By Hilliard B. Wilson. Chicago, The American Municipal Association (Report No. 132), 1939. 51 pp. $1.00.

Philosophy, Science and Art of Public Administration. By Charles Austin Beard. (Address delivered before the annual conference of the Governmental Research Association, Princeton, New Jersey, 1939.) Detroit, Governmental Research Association, 1939. 7 pp.

The Electional Process and the Separation of Powers. A study in the nature and distribution of political control. By Dennis DeWitt Brane. Westerville, Ohio, Otterbein College, 1939. 49 pp.

Threat of Pension Pressure Groups. New York City, Tax Policy League, 1939. 11 pp. mimeo. Twenty-five cents.

Town Building. (Part I — Social; Part II — Economic; Part III — Governmental. By Bernard Smith. Dallas, Texas, Holland's Southern Institute, 1939. x, 150 pp. Fifty cents.

Twenty-first Annual Report of the Department of Revenue, Commonwealth of Kentucky, 1939. By H. Clyde Reeves. Frankfort, Kentucky, 1939. 41 pp.

Twenty-fourth National Recreation Congress 1939 Proceedings. Recreation and the American Way of Life. New York City, National Recreation Association, 1939. 189 pp. One dollar.

United States Conference of Mayors, Its Work and Activities. Washington, D. C., United States Conference of Mayors, 1939. 16 pp.

A MUNICIPALITY THAT IS DIFFERENT

(Continued from Page 45)

in Asbury Park—which is a larger neighboring community. Another business man said significantly that the reason no petitions were sent to the association was because they would be ignored anyway. One man, who was active in the borough fight of 1920, was asked what advantages he thought obtained in a borough government. He replied that under a borough government you know what is going on and how your money is spent. One woman answered the question, after closing the door and lowering her voice to a whisper, by saying that it was rumored that the money they gave for licenses and concessions was sent out of the community to help Methodist churches in Philadelphia. The secrecy with which the association conducts its affairs was repeatedly criticized.

On the other hand, many of the citizens answered that they would be unhappy living elsewhere and more than a few of them (including some business people) expressed contempt for people who come to Ocean Grove and then grumble. In general, they believed that they were well governed, and although some lamented the fact that the trustees were not all residents of Ocean Grove, they doubted if as capable men could be elected by popular vote.

For the student of government, Ocean Grove offers an interesting illustration of an undemocratic local government in the midst of a great democracy. It is unlike any modern form of city government with which we are familiar in America. It is an anachronism in modern politics.